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## Kohl Moves Warily on Hostages

### Contacts With Kidnappers Are Said to Be in Early Stages

By James M. Markham  
New York Times Service

BONN — Chancellor Helmut Kohl's government has made only preliminary contacts with the kidnapers of two West Germans in Beirut and has made no irrevocable decision on whether to extradite a suspected Lebanese terrorist to the United States, according to officials.

At the same time, the officials said Thursday, they are watching with growing concern the U.S. naval buildup in the eastern Mediterranean, fearing that any American military intervention in Lebanon might upset Bonn's cautious, low-key approach to gaining release of the two men.

In Washington, sources told The Associated Press on Thursday that the Defense Department may soon allow one of two Marine amphibious groups now sailing in the Mediterranean to leave for home. Government officials hope such a move would discourage speculation that a military strike in the Middle East is in the offing, according to the sources, who agreed and its remaining escorts would remain in the eastern Mediterranean for the time being following a port call in Haifa, Israel.

Mohammed Ali Hamadeh, 22, was arrested at Frankfurt Airport on Jan. 13 after liquid explosives were found in his luggage. Gunmen in West Beirut kidnaped two German businessmen after the United States demanded that Mr. Hamadeh be extradited because of his suspected involvement in the hijacking of a Trans World Airlines jetliner in 1985.

On Jan. 26, Abbas Ali Hamadeh, a West German citizen, was arrested at the same airport upon arrival from Beirut on suspicion of being involved in the kidnappings. Officials said that he provided information that led to the discovery of a cache of liquid explosives in the



A Spanish policeman removes a student who, along with others, was blocking a street in central Madrid on Thursday to protest the Socialist government's educational policies.

## Sakharov Meets In Moscow With Ex-U.S. Officials

MOSCOW — Andrei D. Sakharov, the Soviet physicist and dissident, held talks Thursday with a group of American political figures including Henry A. Kissinger, one day after the group met with Mikhail S. Gorbachev, the Soviet leader.

Mr. Sakharov greeted Mr. Kissinger, a former U.S. secretary of state; Cyrus R. Vance, who was secretary of state under President Jimmy Carter; Jeanne J. Kirkpatrick, the former chief U.S. representative to the United Nations; and others at his Moscow apartment.

The Americans are in Moscow under the auspices of the New York-based Council on Foreign Relations, a private organization. They arrived Sunday in Moscow at the invitation of the Soviet Institute for the Study of the U.S.A. and Canada.

Mr. Kissinger's program has included separate talks with President Andrei A. Gromyko and Anatoli F. Dobrynin, the former ambassador to Washington. [Mr. Gorbachev, in a wide-ranging, three-hour meeting with Mr. Kissinger and other members of the group Wednesday, asserted that some forces in the United States profit from anti-Soviet "hostility" and from sowing hatred toward the Soviet people. The Washington Post reported.]

Before greeting Mr. Kissinger, Mr. Sakharov said he would return briefly in mid-March to the city of Gorky, about 250 miles (370 kilometers) east of Moscow, where he was banished without trial in January 1980 and spent almost seven years in internal exile before his release last December.

"We have left some of our belongings there," he said, indicating that his wife, Yelena S. Bonner, would also return to Gorky with him. "I would like to do some work in the quiet there," Mr. Sakharov added.

Greeting Mrs. Kirkpatrick, Mr. Sakharov thanked her for her efforts at the United Nations to secure his release from Gorky.

Preparing to meet Mr. Kissinger, Mr. Sakharov said he had read the former secretary of state's memoirs of his period in office.

Mr. Kissinger later called his first encounter with the fellow recipient of the Nobel Peace Prize "very moving."

Mr. Kissinger was awarded the prize in 1973 along with the North Vietnamese official Le Duc Tho for his role in the Paris negotiations designed to achieve a settlement of the Vietnam War.

Mr. Sakharov, the most eminent member of the Soviet dissident movement in the 1970s, was granted the prize in 1975 for his actions to promote disarmament and fight human rights abuses in the Soviet Union.

Mr. Sakharov's mother, Inna Golubovskaya, said she had been told by prison officials that her son had signed a statement and would be released within two weeks. She said she had been told that he would be permitted to live and work in Moscow.

Mr. Smirnov's mother, Yelena Kosternin, said her son had been told he would be set free if he signed a statement acknowledging past wrongdoing, but would be returned to Chistopol if he refused.

Mr. Rivkin, 32, was part of a group of young Muscovites who published a clandestine journal that criticized Soviet policy from the point of view of the Western European socialists. Mr. Smirnov, 36, co-edited two other underground human-rights journals, the Chronicle of Current Events and Vesti.

The reports of prisoner transfers come a week after the news that two human-rights advocates, Anatoli Koryagin and Sergei Khodorovich, had been permitted their freedom if they agreed to emigrate. It is not certain whether they will do so.

Western diplomats said the developments seemed to confirm statements of officials that the government was systematically reviewing cases involving subversive activities.

"It may be that we have had a high-level decision to start releasing prisoners, and now we are seeing it trickle down to the Interior Ministry and labor camp administrators," a diplomat said. "I think they are going to let some people out, but I wonder how many and under what conditions."

Mrs. Bonner said other prisoners reportedly moved to their hometowns were Valeri A. Senderov of Moscow, who was arrested in 1982 for trying to organize an independent trade union, and Genrikh O. Altunyan and Yevgeni M. Antsupov of Khar'kov, who were serving sentences for statements critical of Soviet authority.

According to Mrs. Bonner and Mr. Sakharov, one and possibly both of two Georgian brothers — Tengis and Eduard Gudava — have been transferred to Tiflis, the Georgian capital.

Five of the prisoners were among 14 men on whose behalf Mr. Sakharov appealed to Mikhail S. Gorbachev, the Soviet leader. They are Mr. Koryagin, Mr. Khodorovich, Mr. Smirnov, Mr. Altunyan and Mr. Rivkin. A sixth on the list, Serafim Yevsyukov, was released from a psychiatric hospital on Jan. 24.

Mr. Koryagin, one of the two subject to deportation, is a psychiatrist imprisoned for his efforts to expose the abuse of mental hospitals. He was reported Wednesday to have been moved to Khar'kov.

## Waite Is Reported Seen In a Suburb of Beirut

The Associated Press

BEIRUT — Two taxi drivers said they saw Terry Waite, the Anglican Church envoy, walking in a southern Beirut suburb Thursday with an escort of about 10 gunmen and four Shiite Muslim sheikhs.

Mr. Waite was last seen by reporters on Jan. 20 when he left his hotel in West Beirut to meet the kidnapers of two Americans.

Since then, he has not contacted the Church of England or his family.

The taxi drivers said they saw Mr. Waite walking with his escorts in a street close to the capital's airport highway at about 3 P.M.

"I saw him smiling and waving his hand to onlookers as he walked," said one witness. "He wore a grey raincoat. I stopped my taxi to watch, but the escorts waved me away, shouting: 'Don't stop. Drive on.' I did."

Also Thursday, police and military officials in Beirut renewed their denial of any U.S. military action in Lebanon following rumors that U.S. Marines were landing to attack Shiite guerrillas.

"We have had no report of any such attack anywhere in Lebanon, yet," a police official said.

In Washington, sources said no attack on Lebanon was planned.

## Spanish Students Stage New Protests

MADRID — Spanish students staged fresh protests Thursday after talks with the education minister, José María Maravall Herrero, failed to result in an agreement to end two months of unrest. The Education Ministry said negotiations would resume Friday or Monday.

As government officials and unions blamed each other for the failure of the talks Wednesday night, students blocked streets in Barcelona and demonstrated in Valencia. Thousands boycotted classes and five went on a hunger strike in Alicante. In the Canary Islands, 15 youths who disrupted traffic were handed over to a judge who is to decide whether they will be charged. The students are demanding social benefits and free access to universities.

A spokesman for the Education Ministry said the main stumbling block again had been the student demand for free university access. He said this was not negotiable as it would upset the education system. Mr. Maravall has offered to spend an extra \$155 million on state education this year but has rejected as unrealistic demands for a salary to be paid to students from families earning less than \$1,150 a month. However, the students have rejected the government proposal.

### LATE NEWS

#### 2 Soviets Start Space Mission

MOSCOW (Reuters) — Two Soviet cosmonauts were launched into space Friday on a mission to the orbiting space station Mir; and Western specialists said that they expected the cosmonauts to try to break the record for the longest flight in space.

Yuri Romanenko, the commander, and Alexander Laveikin, the engineer, took off in their Soyuz TM-2 vehicle early Friday morning.

State television transmitted a live broadcast of the lift-off from the Baikonur cosmodrome in the Central Asian republic of Kazakhstan. The mission was the second to Mir, which was launched in February 1986 and is to become the heart of the world's first permanently manned space station.

### INSIDE TODAY

#### GENERAL NEWS

It was hard to make fun of Liberec because he made fun of himself. Page 3.

The U.S. plans to reject a South Pacific Forum request for a nuclear-free zone. Page 3.

#### BUSINESS/FINANCE

French TV channel TF1 will be sold by the government for 4.5 billion francs. Page 11.

## U.S. Handling of Espionage Is Faulted

By Joel Brinkley  
New York Times Service

WASHINGTON — The House intelligence committee has said that an investigation has uncovered "dangerous laxity" and serious "security failures" in the government's system of catching spies.

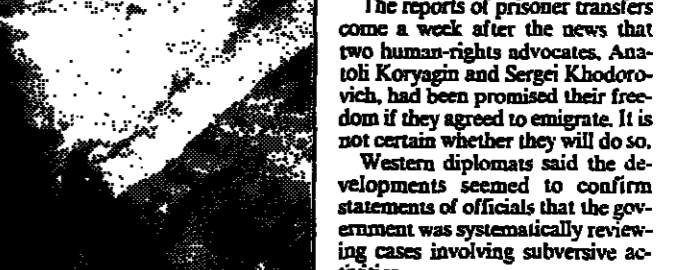
Even though 27 Americans have been charged with espionage in the last two years, and all but one of those brought to trial has been found guilty, the committee said in a report that it still found "a puzzling, almost nonchalant attitude toward recent espionage cases on the part of some senior U.S. intelligence officials."

The 18-month committee investigation that resulted in the unusual, highly critical public report issued Wednesday was prompted by the spate of espionage cases beginning in the spring of 1985. Then, John A. Walker Jr., his son, his brother and a friend all were arrested on charges of spying for the Soviet Union.

At the time, American officials said the Walker spy ring, centered in the U.S. Navy, had been the most damaging in American history, and officials said it would cost billions of dollars to modify equipment, procedures and personnel to compensate for the secrets given away to the Soviet Union.

As a result, the Reagan administration undertook a major public program to overhaul the counterintelligence apparatus.

Even though the Democratic-controlled House intelligence panel said it "applauds these efforts," the report says the committee still found "serious security deficiencies" and "manifest failures" that were results of major problems in the system rather than "mere aberrations in the system or unavoidable risks."



Andrei D. Sakharov, right, the Soviet dissident physicist, meets Henry A. Kissinger, left, the former U.S. secretary of state in Moscow on Thursday night before they held talks.

## Printers End Once a Cowtown, Now Trendy Place, Murdoch

### Picketing

By Peter Applebome  
New York Times Service

FORT WORTH, Texas — Steve Fisher is not a regular reader of W, the New-York based international fashion and society publication, so he was unaware that it recently included Fort Worth in its much-followed annual list of "in" places, people and things.

He was not dazzled when informed of the honor.

"In where?" asked Mr. Fisher, who sells used cars at Cowtown Motors here.

It's a good question.

But trendiness can work in strange ways.

Fort Worth missed most of the economic and public relations benefits of the Texas economic boom, but while the rest of the state has cooled off, these are relatively heady times in a town that traditionally has been content to go by the nickname of Cowtown.

Fort Worth has acquired enormous political clout. It is the home of Jim Wright, the new Democratic speaker of the U.S. House of Representatives, and Gib Lewis, the speaker of the Texas House of Representatives.

Anne Bass, wife of the oil and financial magnate Sid Bass and a talk leader in the arts, has become the talk of the W crowd.

A plan to revitalize the city's historic stockyards may finally be getting off the ground.

## Fort Worth Is Puzzled by 'In' Status

Van Cliborn, the pianist whose quadrennial piano competition is held in Fort Worth, recently moved back from New York.

Fort Worth, which has a population of about 425,000, has always been torn between its origins as an unpretentious cattle town and the nagging feeling that it should be competing with Dallas.

Its heritage as a cattle town is most conspicuously on display at this time of year, when the city is transfixed by the 91st annual Fort Worth Fat Stock Show and Rodeo.

The event is expected to bring in about 740,000 people before it closes Sunday.

The mix of Old West and rich culture has become the city's best selling point.

"Fort Worth has always had a sense of history and its own roots," said Edmund Pillsbury, director of Fort Worth's Kimbell Art Museum.

He recently turned down the position of director of the National Gallery in London.

"Fort Worth has a lot of contradictions," Mr. Pillsbury said. "It's a blue-collar town, but it has a small group of people of enormous wealth.

"It's a well-kept secret, but people here like that. It's not smugness. People here aren't interested in trends. They're not interested in being in."

Fort Worth has always been torn between being a cattle town and competing with Dallas. It is better at the former than the latter.

It has always been better at the former than the latter.

One of Fort Worth's earliest marketing ventures was to spend \$100,000 in 1889 on the Spring Palace, an unusual edifice that one local booster modestly called "easily the most beautiful structure ever erected on earth."

Every inch of the structure was covered with Texas flora, such as wheat, corn, cactus and Johnson grass.

## Paris Warned to 'Tiptoe Out' of Chad

### Gadhafi Says 'People's War' Will Overwhelm the French

By Marie Joannidis  
Agence France-Press

SIRTE, Libya — Libya's leader, Colonel Moammar Gadhafi, has warned France to "tiptoe out" of Chad to escape the wrath of a "people's war" that he said was looming there.

"I know that Chadians will be involved in a serious conflict between them and that conflict will greatly affect French troops in Chad," Colonel Gadhafi said in an interview Wednesday evening.

Speaking to two Western reporters at a barracks about 180 miles (290 kilometers) east of Tripoli, he said that "the confrontation will not be between Libyans and French," who are backing opposing sides in the Chad conflict.

It would be, he said, "a sort of people's war by Chadians against the French Army." He said French troops supporting the government of Hissene Habre would be attacked by people appearing "at any Chadian spot, in Nejamena or even under the earth."

Colonel Gadhafi said that Mr. Habre, emboldened by U.S. and French military aid to call for an attack on the disputed Aouzou strip, threatened Libya's border.

Libya has held the border strip for a number of years, and is alleged by Nejamena to be trying to annex the whole of the north of Chad, a former French colony.

Colonel Gadhafi called allegations by Nejamena that he had thousands of troops in northern Chad and that he had bombed Chadian communities "vulgar and devoid of any basis." But he warned that if there was an attack on the Aouzou strip, "there will be an open conflict, regardless of the 16th parallel."

The 16th parallel has been the unofficial demarcation line between Mr. Habre's forces and those of the Libyan-backed Transitional Government of National Unity, or GUNT, of former President Goukouni Oueddei.

But since December, Nejamena's troops have been fighting north of the line alongside supporters of Mr. Goukouni, who turned against the Libyans, inflicting reverses on Colonel Gadhafi's forces.

France has said its 1,400 troops in Chad would help defend against attacks south of the line.

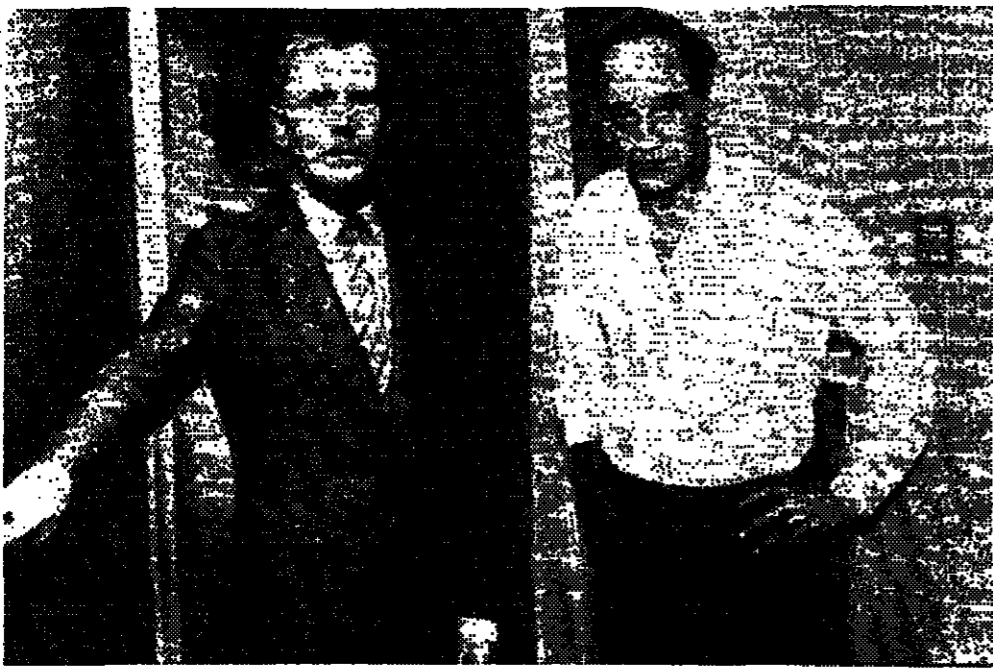
Colonel Gadhafi said France should help Africans with economic aid and "not with cannon and tanks," and invited his "French friends" to "tiptoe away" from a conflict that could last "forever."

The Libyan leader refused to comment on other subjects.

Libya Buildup Is Reported

The French minister for external relations, Jean-Bernard Raimond, said Thursday that Libya had massed new troops in northern Chad, Reuters reported from Paris.

REN MELIKIAN



Ulf Karlsson, left, will take charge of the investigation into the murder of Prime Minister Olof Palme of Sweden, replacing Hans Holmer, the police chief who ran it nearly a year.

### Sweden Assigns New Investigators In Yearlong Hunt for Palme's Killer

STOCKHOLM — The Swedish government assigned new leaders on Thursday to the unsuccessful hunt for the killer of Prime Minister Olof Palme, replacing Hans Holmer, the police chief who had led the investigation for nearly a year.

### New Evidence Reported On Iran-Contra 'Overlap'

WASHINGTON — The House select committee investigating the Iran-contra affair and Lawrence E. Walsh, the independent counsel, have started taking depositions and issuing subpoenas for documents on scores of individuals and corporations involved in the affair, according to sources.

### Mozambique's Economic Woes Foreign Investment Is Discouraged by Rebel Activity

By Serge Schmemmann New York Times Service MAPUTO, Mozambique — The problem facing Mozambique's new president is hardly unfamiliar on a continent racked by insurgencies and instability. Put simply, it is that internal strife discourages foreign investment, but the lack of investment deepens the instability on which the insurgents feed.

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Joaquim Chissano

### WORLD BRIEFS

#### Car Bomb Kills 32 in Afghanistan

ISLAMABAD, Pakistan (Reuters) — A car bomb set off by Afghan rebels killed at least 32 persons and wounded several in eastern Afghanistan on Wednesday night, an Afghan exile news service here reported Thursday.

#### China Jails Advocate of Democracy

BELING (WP) — A Chinese journalist who advocated at a public meeting that the Communist Party be overthrown and replaced with a new party has been given a seven-year prison sentence.

#### U.S. Aide Urges More Contra Money

WASHINGTON (AP) — Nicaragua's rebels can achieve a political victory against the Sandinista government within two to four years if military aid from the United States continues uninterrupted, a Reagan administration official told the Senate Foreign Relations Committee on Thursday.

#### Man Bound, Slain in Northern Ireland

BELFAST (AP) — The body of a man with severe head injuries was found Thursday on a country road only yards from the border with the Irish Republic, police said.

#### France Kills U.S. Meeting On Hostages

PARIS — France, supported by Britain and West Germany, has scuttled U.S. plans for special talks on the hostage crisis in Lebanon because it fears they would worsen the captives' plight and undercut bilateral efforts to secure their release, officials said Thursday.

#### BONN: Kohl Wary on Hostages

(Continued from Page 1) Saarland near the French frontier, German investigators reportedly believe that the kidnapers are members of the Hamadeh clan, a large and politically influential group of Shiite Muslims. A third Hamadeh brother, Abdel Hadi Hamadeh, is a senior security official in the pro-Iranian Hezbollah (Party of God) group.

#### MOSCOW: Sakharov Meeting

(Continued from Page 1) course of U.S.-Soviet relations, according to remarks released by the official press agency Tass.

#### Preschool Sexism Banned in Israel

JERUSALEM — The Israeli Education Ministry has banned sexism in nursery schools, instructing teachers on Thursday to stop reading stories to children that depict girls as "weak, passive or waiting for a boy to rescue them."

#### Corin Inmates Burn Building

CORFU, Greece — Inmates burned down the main building at Corfu's central prison Thursday in a riot staged to demand better conditions, authorities said. At least two prisoners were injured.

### Iran Warns Baghdad, Opens Missile Attack

The Baghdad daily newspaper al-Jumhuriyah, which generally reports the government position, said in an editorial: "We are not going to stop destroying the dens where their heads until they stop their aggression against our border, our cities, and until they accept an honorable peace."

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Gerald F. Seib

### U.S. Reporter Sent Out of Iran

TEHRAN — Gerald F. Seib, the American journalist ordered expelled by Iran after being detained on charges of spying, was being flown to Frankfurt, diplomats said Thursday night.

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### STRIKE: Murdoch Protest Ending

(Continued from Page 1) officers charged the crowd, riding down people in their path. Brenda Dean, general secretary of the Society of Graphic and Allied Trades union, said the union had made its decision to avoid having its funds seized by the courts.

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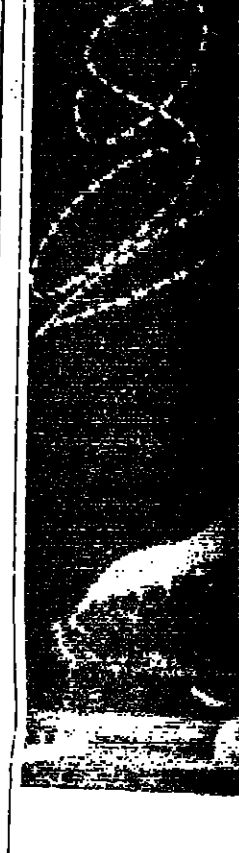
Bank Hofmann AG. Swiss bank established in 1897. Member of the Zurich Stock Exchange. Portfolio management and investment counselling.

SAFIRE. THE BEST BISTRO MONDAY — INDEPENDENCE OF THE BUSH AND SANDS PROPRIETARY.

Kovvys New York Bar. Est. 1911. "The Birth place of the Bloody Mary". Just tell the taxi driver "sank roe doc noo".

Reagan Need No Trend, I

WASHINGTON (AP) — The House select committee investigating the Iran-contra affair and Lawrence E. Walsh, the independent counsel, have started taking depositions and issuing subpoenas for documents on scores of individuals and corporations involved in the affair, according to sources.



### As a Pianist Librarian's Glitter

NEW YORK (AP) — A former pianist who has become a librarian is being sought by the FBI in connection with the Beirut explosion.

### AIDS Case

WASHINGTON (AP) — A man who was the first to be diagnosed with AIDS in the United States is being sought by the FBI in connection with the Beirut explosion.

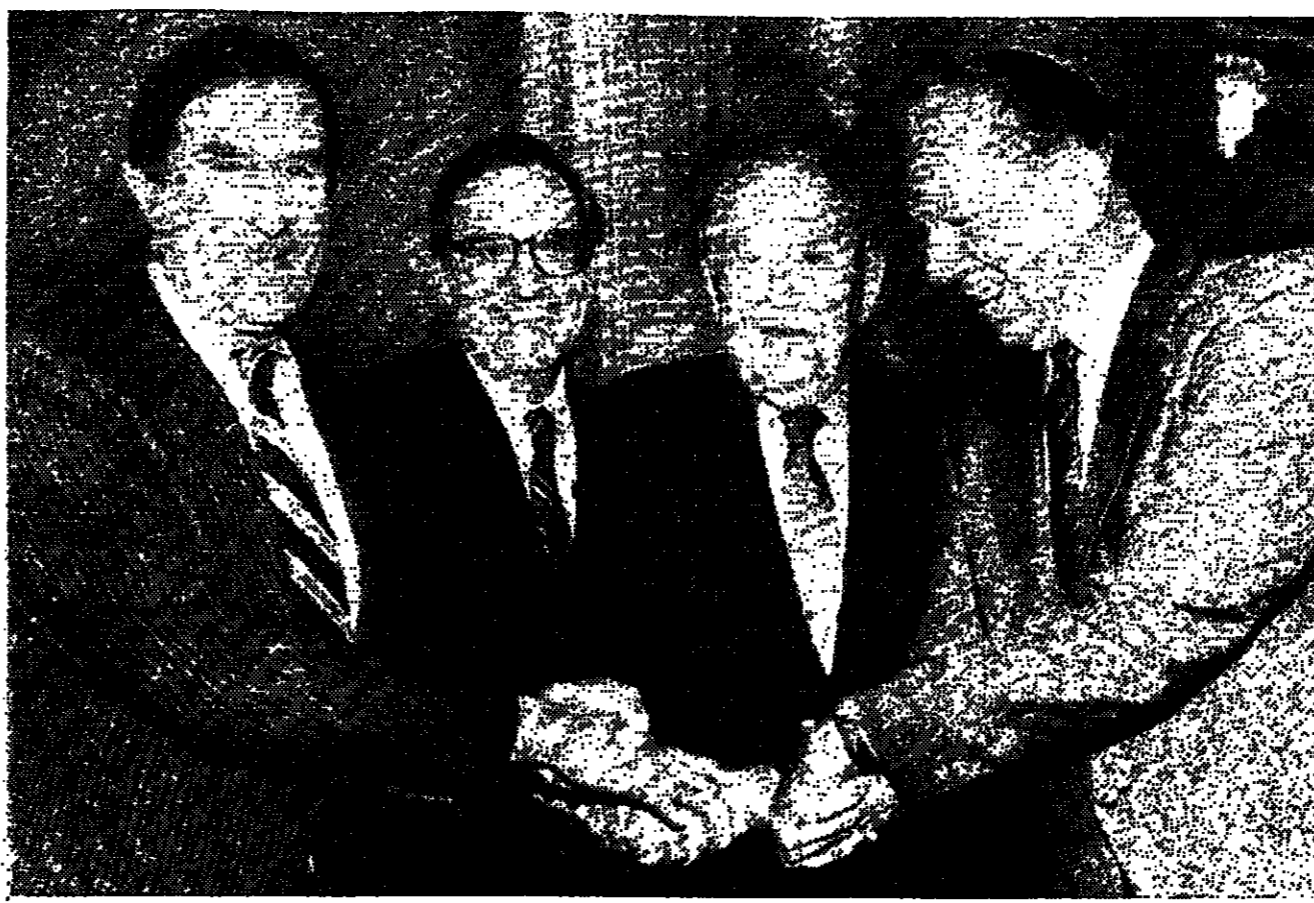
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Reagan Veto Override Need Not Be Signal of Trend, Legislators Say

WASHINGTON — Lawmakers who led the override of President Ronald Reagan's veto of a popular water-cleanup bill say that the override, Mr. Reagan's first defeat in the 100th Congress, does not necessarily signal more big legislative losses for the president.



Senators John H. Chafee, left, George J. Mitchell, Quentin N. Burdick and Robert T. Stafford celebrating the override.

Highway Bill Approved
Jonathan Fierbringer of The New York Times reported from Washington: The Senate on Wednesday approved a \$65 billion highway and mass transit bill that could provoke the year's second veto confrontation between the White House and the Democratic Congress.

At issue was the amount of federal money states would get through 1994 to help build water and sewage-treatment plants. Mr. Reagan wanted it limited to \$12 billion. As passed, the bill provides \$18 billion.

The entire bill 96-2, far more than the two-thirds needed to override a presidential veto. The administration had said Mr. Reagan would veto the highway bill if the Senate added the \$13 billion mass transit program.

The money for mass transit covers operating subsidies for existing systems and grants for new construction. The bill now goes to a House-Senate conference committee to work out differences between the Senate version and a House bill approved in January.

U.S. to Reject a Request By South Pacific Forum For Nuclear-Free Zone

WASHINGTON — The United States has decided to reject a request from a group of South Pacific nations to accept conditions to help make the region a nuclear-free zone, according to government and diplomatic officials.

The Reagan administration has been deliberating over whether to agree to a set of diplomatic protocols requested by the 13 nations that make up a loose grouping of countries called the South Pacific Forum, which includes Australia, New Zealand and 11 smaller island nations.

The treaty prohibits any testing, disposal or storage of nuclear weapons, but allows free passage of nuclear-armed warships.

Last year, a dispute between New Zealand and the United States over the issue of nuclear-armed and nuclear-propelled vessels led to a rupture in treaty agreements between the two governments. New Zealand banned all nuclear-powered and nuclear-armed American vessels from making port calls.

On Wednesday the Australian foreign minister, Bill Hayden, criticized the American decision, saying the treaty did not compromise Western security interests. Mr. Hayden said the United States should not take the Pacific nations for granted. Australia had made great efforts to obtain Washington's compliance, according to diplomatic officials.



Liberace on stage in Las Vegas.

As a Pianist, He Outshone the Rest Liberace's Glittery and Facile Style Charmed Millions

NEW YORK — It was hard to make fun of Liberace because he seemed to have so much fun making fun of himself. With his million-dollar smile, his feisty, feathery jeweled costumes and his unique polyester blend of Beethoven and the "Bear Barrel Polka," Liberace charmed millions with a flashiness that was too much to be believed.

The show opened with the pianist stepping out of a giant Fabergé-style egg, descending a staircase and handing his outer garment to the chauffeur of a Rolls-Royce limousine that had been driven on stage. Later a giant screen showed his hands while Liberace described his rings, which included a grand piano of diamonds on his left hand and a diamond candelabra — a Liberace trademark — on his right.

Philippine Opponents of U.S. Bases To Push for Ban on Nuclear Weapons

By Michael Richardson
International Herald Tribune: MANILA — Opponents of U.S. military bases in the Philippines said Thursday that they would launch a new campaign to urge the government of President Corason C. Aquino to ban American nuclear weapons from the country.

An Asian diplomat said he also felt the clause could create problems for the United States, which says bases in the Philippines play a key role in maintaining regional stability and countering growing Soviet military power in the area.

The United States neither confirms nor denies whether its ships and planes are carrying nuclear weapons.

When New Zealand banned nuclear-armed ships and planes from its ports and airfields last year, the United States ended nearly all military cooperation and withdrew its security guarantee under the ANZUS defense treaty.

Interviewed Sunday on U.S. television, Mrs. Aquino's executive secretary, Joker Arroyo, indicated that the Aquino administration intended to adopt the position of Japan, which does not question whether American warships and planes using its ports and airfields carry nuclear weapons.

The court set trial for March 16 after entering not-guilty pleas for all.

AIDS Cases Rising Among Catholic Clergy

SAN FRANCISCO — Some Roman Catholic officials have begun to acknowledge reports from doctors, social workers and others that members of the Catholic clergy, like Americans in other sectors of society, are suffering and dying from AIDS.

Physicians say that virtually all AIDS patients, facing the certainty of death, respond with despair and sadness when the affliction is discovered. They say the experience can be especially stressful on Catholic clergy members who, as homosexuals, have led a secret life and suddenly face not only death but the loss of their job, pride, status, religious identity and the support system of their religious community.

The Reverend Michael Lopez, a Dominican priest who counsels AIDS patients for the Catholic Social Service in San Francisco, said some priests had simply disappeared after discovering they had AIDS, dropping out of their religious community in an effort to keep their illness secret.

LEGAL SERVICES, COLLEGES & UNIVERSITIES, AUTOS TAX FREE, HEALTH SERVICES, REAL ESTATE TO RENT/LEASE, INTERNATIONAL CLASSIFIED, EMPLOYMENT, DOMESTIC POSITIONS AVAILABLE, MINERVE SEKS FOR AMERICAN, DOMESTIC POSITIONS AVAILABLE, WANTED/EXCHANGE, REAL ESTATE, AUTOMOBILES, AUTO SHIPPING, EUROPE AUTO BROKERS INC., EUROPE TAX FREE CARS, BOATS & RECREATIONAL VEHICLES, SOUTH AFRICA, NEW ZEALAND.

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OPINION

INTERNATIONAL Herald Tribune

Bilateral Misbehavior

Robert McFarlane, President Reagan's former national security adviser, and other U.S. officials contend that they had to rely on Israel for this judgment because Washington lacked sufficient internal knowledge of Iran. Baloney. It had independent information all along from émigrés, various embassies in Iran and intelligence contacts.

Fantasy and UN Frenzy

Efforts have been undertaken by and in behalf of the United Nations to spare it the treatment it expects to get in a forthcoming television show. The show, "America," is somebody's political fantasy in which UN peacekeeping forces police the United States as the latest of Soviet occupiers.

Letting Families Reunite

A relative now living in Boston visited Andrei Sakharov in Moscow recently. It would seem to be the most ordinary and unremarkable of events, but actually it marked an exception to the Soviet Union's regular policy of restricting, if not altogether denying, family visits in both directions across the Soviet border.

Other Comment

Mandate for Aquino
By an overwhelming majority, Philippine voters have expressed their support for the new constitution of President Corason Aquino. This is a triumph for constitutional democracy in a country where the population has had to live under a state of siege for almost two decades.

The Challenge to U.S. Strategy in the Pacific

By Robert O'Neill

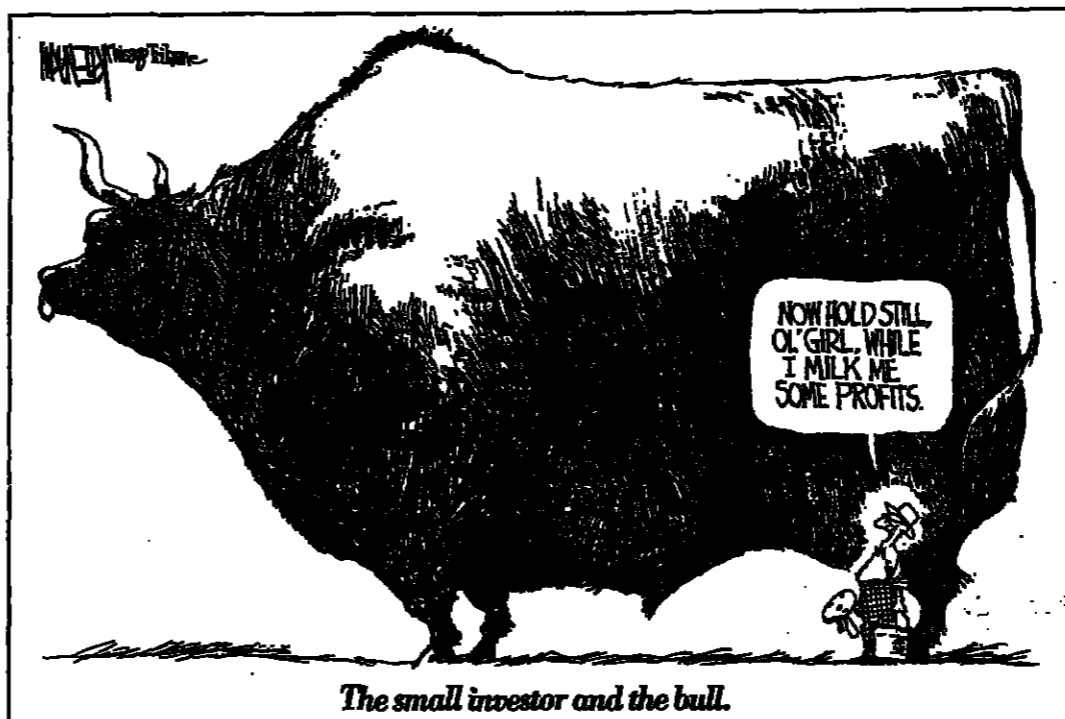
LONDON — The growth of the Soviet Pacific fleet and of its basing system presents major challenges and problems to the shapers of U.S. and allied naval policies. The Western allies, an array of nations separated by two oceans, cannot afford to lose control of the sea in a conflict. Yet improvements in Soviet naval and air power raise questions about the West's ability to maintain control and about the credibility of its deterrent posture both in the Atlantic and in the Pacific.

some thought has to be given to these issues in the Pacific to ensure a consistent policy. The nuclear firebreak established in Europe at heavy cost might be worthless if nuclear conflict were to break out in the Pacific virtually at the outset of any hostilities. In the Pacific, the situation regarding the first use of nuclear weapons is in some ways the reverse of what it is in Europe. It is not the West but the Soviet Union that has the more powerful incentive to use them first. The major units of the U.S. fleet offer a tempting target, and the Soviet Navy might stand to gain from first use in an all-out war at sea.

Dim Echoes Of 1968 — In Mexico

By Jorge G. Castañeda

WASHINGTON — The 300,000 university and high school students enrolled at the National University in Mexico went on strike Jan. 29 after weeks of protest over proposed education reforms for the country's largest and most prestigious learning institution. The reappearance of a widespread student movement in Mexico City, after 15 years of apathy among the nation's youth, is one of the most important, and possibly far-reaching, developments in recent times in Mexico.



The small investor and the bull.

The Sudden Prospect of Iranian Victory

By Drew Middleton

NEW YORK — The feeling is spreading through the Middle East that the Iranians are going to win their war with Iraq and that a military victory is in sight by year-end. A sudden end to President Saddam Hussein (and how many recent Iraqi leaders have died naturally?) would hasten such a victory.

British suffered 57,000 casualties, 30,000 dead, on the first day of the Battle of the Somme. Two developments surprised observers in Tel Aviv, Cairo, London and Washington. One was that Iraqi artillery superiority, in which Baghdad and its supporters had placed such trust, did not suffice to halt the Iranians, despite their mounting casualties. The second was that the invaders, having gained ground at terrible cost, dug in, were reinforced and resumed the offensive the next day.

Embracing the Disaster, Entrenching the Follies

By Anthony Lewis

BOSTON — In searching through the obscurities of the Iran affair we are in danger of overlooking the obvious. So it seems to me returning home after several weeks abroad, away from the Iran story. The obvious is this: The policy carried out by President Reagan and his collection of White House aides, freebooters and foreign maneuverers was and is a disaster. It has done — is still doing — deep, humiliating damage to the interests of the United States and of a decent world.

sumed, the Iraqi shells, plunging into the swamplands, had little impact on the invaders' advance. The Iranians have several attractive options. They can maintain pressure near Basra, eventually drawing reinforcements from other areas for the depleted Iraqi forces there. The Iraqis, in making any troop transfers, will understand that they are outnumbered; that a stronger defense at Basra may mean a weaker one for Baghdad or Kirk. Iran can also continue its long-range missile bombardment of the capital, hoping that this, plus war-weariness, will move Iraqi leaders to depose Mr. Hussein.

Meanwhile, fears will mount in the rest of the Arab world. There are Shiite minorities in Kuwait and Saudi Arabia. The Western powers must ask whether the governments of those states could repress Shiite rebellions armed and directed by Iran. The tiny states of the Gulf are a worse case. For defense they rely on Saudi Arabia or Oman. But what if those two comparatively strong powers have too much to handle at home in the form of Iranian attacks?

Perhaps with that prospect in mind, President Reagan has sent U.S. Navy ships to the Gulf. Are they going to do something to correct the Reagan-North-Pointeider tilt toward Iraq? Is there anything left in American policy to take seriously? One other phenomenon strikes an observer returning to the Iran affair. That is the response from segments of the political right: that a president must have the power to act covertly and decisively in foreign affairs, without being hamstrung by accountability to Congress and the people.

bases, the United States must have the cooperation of leaders in Japan and the Philippines. Soviet policy toward Japan in the past decade has made it easier for Prime Minister Yasuhiro Nakasone to bring his country into closer alignment with America, and has reduced domestic opposition to the presence of U.S. bases. Nonetheless, the deployment of cruise missiles and the adoption of the new maritime strategy by the Reagan administration have reinvigorated domestic criticism in Japan and placed the government somewhat on the defensive. Care and sensitivity will be called for by the United States if Japanese opposition to the bases is to be kept limited.

In the Philippines, the debate over bases is colored chiefly by nationalism and changing national aspirations, as Mrs. Aquino's government struggles to maintain and extend domestic political support. The United States has to be particularly careful not to provide new ammunition to those who call for the expulsion of U.S. forces. New Zealand's suspension from ANZUS has not weakened the anti-nuclear cause in other Pacific states. This is demonstrated by the recent ratification of the treaty of Rarotonga, establishing the South Pacific Nuclear-Free Zone, the protocols of which the United States has declined to sign.

It would be a sad irony if the American responses to the Soviet naval challenge in the Pacific were to undermine the political consensus so vital to preserving access to the key U.S. bases in Japan and the Philippines and to maintaining essential cooperation with its other partners.

The tiny states of the Gulf are a worse case. For defense they rely on Saudi Arabia or Oman. But what if those two comparatively strong powers have too much to handle at home in the form of Iranian attacks? The Omanis, with their well-trained forces and modern equipment, should be able to deal with anything less than a major invasion. Military analysts are not so certain about Saudi Arabia.

IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Out Goes the Gold
NEW YORK — Despite fairly good general conditions, the amount of idle funds at this centre grows and bankers acclaim plans for joining in foreign loans and are expediting the outward movement of gold. The renewal of the gold export moratorium came with the engagement of \$2 million in gold bars for Paris, making the total of the bars on the present movement \$4 million, besides nearly \$3 million in gold coin for South America. Meanwhile, the renewal of disturbed conditions in Mexico, with prospects that the United States might be compelled to send troops across the border for the protection of American interests, was used by the bears, but the fact that the administration in Mexico may ask the United States to send troops, freeing the situation from the dangers of international complications, eased fears.

Bankrolling Pakistan's Small Farms

By Jonathan Power

LONDON — Up in the mountains near Pakistan's frontier with Afghanistan is Pothohar country — home to a tall, swarthy people who often carry guns. It is a hard land. The rain is irregular and wits are needed if you are to survive. Winston Churchill was stationed here as a young lieutenant in 1897. The grand fort built by the British still guards the valley leading to the village of Aju.

A few years ago, Aju was one of the poorest villages of Pakistan. Now can see a transformation. Irrigation ditches meander between the fields. The farmers grow tomatoes and green peppers to sell to Karachi 1,000 miles (about 1,600 kilometers) away. Income for some farms has multiplied sixfold in two years, enabling farmers to buy mini-trucks to transport these new crops.

The change in fortune is largely due to Aju's mobile credit officer — a diminutive man who brings loans on his motorbike — to other like him, and to the man behind them all. Aju's credit officer was an unemployed agriculture graduate. Then he was lured to this job by a remarkable banker, Jamil Nishtar, who after years as executive director of the central bank, had decided that the problem of banking was that it was "an institution, not a person."

These motorized bankers do not ask for collateral. "The only [proper] assessment of credit risk is the future productive ability of the farmer," Mr. Nishtar said. "Once the loan is given, the personal contact, unlike in conventional banking, is continuous."

The mobile banking is when the harvest is sold, making sure the farmer makes the repayment of the loan his first priority. In return for this discipline, the farmer gets technical advice and an understanding ear if bad weather produces a setback.

What Jamil Nishtar achieved is one of the rare creative breakthroughs that make sense of the millions of words written and spoken on grass-roots development. Let us, in his memory, have more of practical deeds and less of torrents of words.

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The writer, a graduate professor of political science at the National University of Mexico, is currently a senior associate at the Carnegie Endowment for International Peace. He contributed this to the Los Angeles Times.

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# Ribbons and a Space Shuttle called Hermès

**H**ermès is 150 years old this year and is still a family business. The wondrous windows in the Paris shop in the Faubourg Saint Honoré headquarters are one of the great decorative delights in the city. In a rather smaller way, the arrangement of exquisite Hermès objects in the London branch in Bond Street have been giving Londoners a continuous show of quality in master craftsmanship and luxury for the past eleven years.

Jean-Claude Mamy, who heads the British operation for this distinguished French house, has lived in London for over twenty years. He was the first man at Hermès to merge fashion, accessories, leathers and perfume into one company, when before the various sections had operated separately. This move, achieved first in London, was undertaken to produce a total look for all the company's products as it deliberately moved into the future.

"The first obvious manifestation of grouping Hermès together," says Paris-born Mamy "came with the ribbon advertisements."

That brilliant idea, now familiar in advertisements throughout the world, tied up a number of different Hermès products in one picture, leathers, silks, perfume, watches and jewellery wrapped round and round in coloured ribbon got the message home fast.

The silk square, too, originally created in 1937, has been another important aspect of the modern thinking guiding the firm today. It was

clearly becoming a tired classic, old hat to the younger generation until another stylish advertisement struck - a girl in jeans irreverently wearing a Hermès square in a totally unconventional way. Youth was hooked and the scarf rose to dizzy heights as a fashion accessory.

Among new designers joining the original team in Paris was Eric Bergere who took over the women's range of clothes. He caught the right mixture of daring fashion and high style and captured the spirit (and custom) of the chic young woman of the 80's.

Hermès is given to producing "firsts". The saddle in 1903, the zip fastener in France 1920, the suitcase with inset corners in 1937 and the Kelly handbag (so called in honour of Princess Grace) in 1949. Many beautiful objects

have followed down the years and this year a sensational new suitcase breaks the travel barrier. Made of the material used for the French Space Shuttle, the leather lining is a reminder of its creator.

The French are a logical people and firmly believe that prophets are honoured in their own country. It is splendid for everybody, therefore, that the French Space Shuttle is called Hermès.

With years of tradition and brilliant craftsmanship behind it this unique company is taking advantage of its uniqueness as it moves confidently forward. Guided by the perceptive vision of Jean-Louis Dumas-Hermès, Chairman and General Manager of the House of Hermès, progress takes place at an urgent rate.

"We do not deny the past," Jean Claude Mamy explains "but we are in the present."

During 1987 you will find special old things have been resuscitated and brand new ones introduced. Table fireworks carry out the theme of the year - pyrotechnists on horseback. Two sizes of casket - one for the big occasion and a smaller tête-à-tête version to turn an intimate occasion into a celebration to remember.

Specially created silk squares, their design illustrating the firework motif and a cashmere and silk shawl will become collectors pieces and, during the year, there will be bath mats and towels, table cloths and mats, napkins, costume jewellery, ashtrays and china all with the firework motif.

The spring/summer fashion collection for women includes urbane short-skirted suits, rubberised raw silk raincoats, gabardine wool pant suits and great leathers. For the beach, tropical patterned bare dresses to wear with black linen blazers - French chic, in fact, at its best.

In London, Hermès is at

155 New Bond Street, W.1., 3 Royal Exchange, E.C.3. and there is a boutique in Harvey Nichols, Knightsbridge.

Bond Street sizzles with classy French imports including top fashion names Yves Saint Laurent, Chanel and Lagerfeld. At 180 New Bond Street, top jewellers Boucheron sell your heart's desire and for St. Valentine's Day bring romance to lovers with a stunning Heart-to-Heart collection of palest rose quartz, misty rock crystal and milky pearls. Diamonds provide the starlight on necklaces, earrings and bangles, precious hearts the links on these young and exquisitely designed jewels.

Boucheron was founded in Paris over a century ago and the Bond Street shop opened in 1913. Over the years customers have included the heads of Imperial houses, public figures and very private people. In their softly coloured premises Managing Director, Paul Marmin, has for many years headed a team of talented people who all contribute to the remarkable success of their exclusive business.

The first-ever house to make crystal objets d'art, crystal jewellery has today become a classic Boucheron line and the brilliantly simple slide-on watch strap is another first and exclusive design to be found here.

Shoppers should look for crystal cufflinks, a beautiful and discreet accessory for a man and do not miss a glance at Alain Boucheron's leopard-wood collection, a recent launch of a master crafted collection of jewel style-setters in live and warm materials. This unique speckled wood is matched with gold and precious stones, every piece of enviable quality.

Old-established French name in England is Daniel Hechter who some years ago set casual wear into a realm above off-duty leisure wear.

# FRENCH LONDON



## 1987: L'Année Feu d'Artifice

This is the shop, at 105 New Bond Street, to look for softly coloured blazer and skirts in cream and beige, maybe adding a dash of navy blue. This collection, called The Great Gatsby, includes shorts and different jacket lengths and would be a great look for the playing fields of Eton.

An interesting safari look will arrive here soon with jackets, skirts, long button-through dresses and the new collarless blazer, all in earthy colours. An excellent and sophisticated collection of shirts can always be picked up at Hechter and the nautical theme this season is called 'Hit the Deck'.

We all wear New Man. The label was launched in France

in 1966 and in Britain in 1972. Since then the name has become a household word in the UK among those who wear well-designed casual clothes. This notable range for men, women and children is made by the leading manufacturers of French casual wear who find Britain a big growth market.

Each year detail changes appear on these otherwise classic clothes. For summer '87 padded jackets in washed out blue chambray, safari jackets and short matching skirts, young-look shirts in print and fine cotton to pretty up denim looks and crisp duster coats that will withstand a shower or two. Lots of pants, including the classic

white casual and deck shoes and, for men, loose unstructured jackets and check pants. For office wear the New Man dark, dark grey pants and jackets would be smart commonsense in warm weather. Children's clothes are replicas of adult sizes.

New Man shops at 66 Sloane Street, S.W.1., 69 Duke Street, W.1, and stockists throughout the country.

Separates are the strong point at Tiktiner, 119 New Bond Street. Silk and linen in sophisticated colour combinations are top fabrics for the

new stock just arrived from France. A fine wool skirt in a dark small check to team with a long baby pink jacket is a winner and another elegant mix and match is orange and khaki, with jacket or vest speckled with silver when you want to dress up. Otherwise, a short-sleeve T-shirt could give a lot of mileage.

The collarless jacket is newsworthy and the belts are wonderful. Prices fairly stiff, but these sort of neoclassics give back substantial dividends.

Anne Price

### HERMÈS - SPRING-SUMMER 1987 COLLECTION

#### "L'IMPOSSIBLE MONSIEUR BEBE"

(Right) A staple fibre canvas contrasted 2 piece suit, white, short sleeved jacket with a straight black skirt.

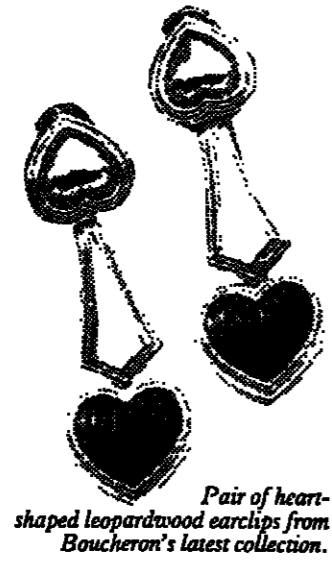


"ESCORT GIRL" (left) Raw rubberised silk raincoat, worn on a grey linen suit, and a white cotton body.

**daniel hechter**  
paris

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## DINING OUT

### AUBERGE DE PROVENCE

We once called the Auberge de Provence restaurant in the Taj-owned St James Court Hotel a "real find". It is and in this stylish place they serve authentic Provençal specialties of well known chef Jean-Andre Chariol of the famous L'Oustau de Beaumanière in Provence. Everything is prepared and served by an all French staff and the wine list is almost all Provençal vintages. Situated in Buckingham Gate between Buckingham Palace and Westminster Abbey, the menu, wonderful wines and real French bread make the memory linger on.

### Dejeuner ou dîner à la Provençale. FORMIDABLE!

Good taste needs no translation. Provençal cuisine is renowned throughout the world. And now it's available in SW1 at the Auberge de Provence.

Our menu was inspired by Chef Jean Andre Chariol of L'Oustau de Beaumanière in Les Baux - holder of the coveted Michelin 3 Star rating for an unsurpassed 30 years.

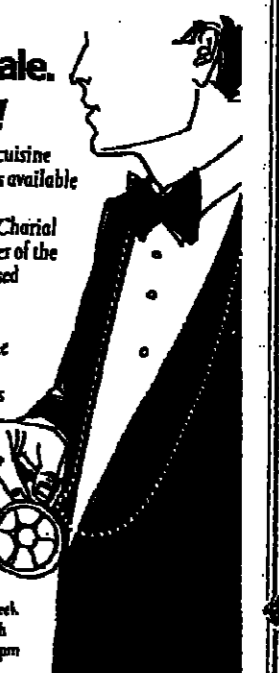
From this outstanding establishment come fine wines, superb cheeses and herbs to create the distinctive flavours of Provence.

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# WEEKEND

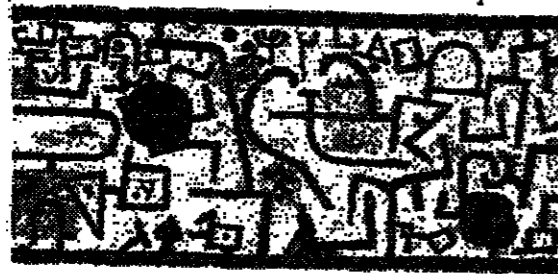
- Schnabel Exhibition
- An Island of Art
- Little Richard

International Herald Tribune

## CRITICS' CHOICE

### NEW YORK

#### Klee Retrospective



More than 200 paintings and 100 drawings and prints from all stages of the artist's career are included in what is described as the first major American retrospective in 20 years of the work of Paul Klee, at the Museum of Modern Art from Feb. 9 to May 5. The nucleus of the show is formed by 100 works from the Paul Klee Foundation at the Kunstmuseum in Bern. Other paintings rarely seen outside Switzerland have been lent by the Basel Kunstmuseum (above) "Rich Harbor," 1936, and other works come from public and private collections, including that of the artist's son, Felix Klee. One feature of the exhibition is an extensive presentation of the large-format works of Klee's last years in Bern, a culmination of motifs and techniques of his career and a portent of art movements to come. After New York, the exhibition goes to the Cleveland Museum of Art (June 24-Aug. 16) and the Kunstmuseum in Bern (Sept. 25-Jan. 3).

#### Artspeak at an Opening

Crowds streamed through the Metropolitan Museum Tuesday for the opening of the Lila Acheson Wallace wing, a \$26 million, 40,000-square-foot addition that houses 20th-century art. Attending the opening, William E. Geist of The New York Times found himself a useful companion: William Quinn, artist and lecturer, who takes students to museums as part of a course he teaches in New York on what to say about paintings — artspeak. "The course teaches you," said a former student of his, "how to sound halfway intelligent about art when you're not. It's great." Quinn said, "There is nothing more intimidating to some people than finding themselves in a room with some modern art. What do you do? Laugh? Cry? Weep?" The art elicited a number of responses, but Quinn and museum reference material suggested other ways. "I love this," said one visitor, of a Bonnard. Insufficient. Instead, one should speak of the boldness of interpretation. "I could do that," said another visitor, referring to a display of polyurethane-soaked cardboard boxes in a Rauschenberg. "But you didn't," said Quinn.

#### New 'Manon' at the Met

A new production of Massenet's "Manon" has its first performance Feb. 6 at the Metropolitan Opera, conducted by the 82-year-old Manuel Rosenthal and with staging, sets and costumes by Jean-Pierre Ponnelle. Catherine Malfitano sings the title role, with Neil Shicoff as Des Grieux and Michel Sénéchal, David Holloway, David Hamilton and Ferruccio Furlanetto in other principal roles. Also new in this production — apparently for the first time — of sung recitatives composed by Massenet late in life, and only recently rediscovered, in place of the customary spoken dialogue.

### EUROPEAN TOUR

#### Musicians From San Francisco

As part of the celebration of its 75th anniversary season, the San Francisco Symphony will make its first tour of Europe in 14 years, conducted by Herbert Blomstedt, who is in his second season as the orchestra's music director. After two concerts at Carnegie Hall in New York (Feb. 12-13), the European tour of 16 concerts in as many cities opens Feb. 16 at Royal Festival Hall, London. Features of tour include the first European performances of "The Golden Dance" by Charles Wuorinen, the orchestra's composer in residence, who wrote the work for the anniversary season, and appearances as soloist by the violinist Isaac Stern (right), who made his debut with the orchestra in 1936 in works by Prokofiev and Mozart in London, Paris (Feb. 18) and Strasbourg (Feb. 20). The tour repertoire also includes Brahms's Symphony No. 1, Bruckner's Symphony No. 6, Mozart's Symphony No. 39 and Stravinsky's "Firebird" Suite. Other concerts are in Brussels (Feb. 17), Vienna (21), Linz (22), Munich (23), Berlin (24), Hannover (26), Geneva (27), Zurich (28), Milan (March 2), Florence (3), Turin (4), Stuttgart (6), Frankfurt (7).

### PARIS

#### Celebrating Mozart

Mozart's vocal music is the focal point of a series of concerts and staged performances at the Théâtre Musical de Paris-Châtelet. A complete cycle of the composer's concert arias with various soloists and orchestras continues in April, including Sylvia McNair, Hanna Schwarz and Gylisiane Raphael with the London Mozart Players under Jane Glover (Feb. 10); Gianna Rolandi and Harry Greenwood (Feb. 12) and Edith Mathis and Sherri Greenwald (Feb. 14), both with the Lausanne Chamber Orchestra under Lawrence Foster; Krizmina Laki and Yvonne Kenny (Feb. 19) and Lella Ciberli and Anthony Rolfe-Johnson (Feb. 21), both with the Vienna Chamber Orchestra under Philippe Entremont. On Feb. 13 and 15 are concert performances of "Le Nozze di Figaro," with Friedmann Layer conducting the Nouvel Orchestre Philharmonique and Margaret Marshall, Janet Perry, Gino Quilico and Stafford Dean in principal parts, and from March 10 to 22 there will be six performances of "Don Giovanni," in Karl-Ernst Herrmann's much-praised production for the Théâtre de la Monnaie in Brussels, conducted by Sylvain Cambreling and with José van Dam in the title part. A staged production of the rarely performed "Singspiel" "Der Schauspieler" is also planned for June as part of this cycle.

### MONTE CARLO/MADRID

#### 'Orfeo' on the Move

The Opéra de Monte Carlo and the Teatro Lírico Nacional La Zarzuela of Madrid are sharing a new production of Gluck's "Orfeo ed Euridice," staged by Mario Corradi, with sets by Lorenzo Patt and costumes by Marco Bohan. Lawrence Foster conducts the performances Feb. 6, 8 and 10 at the Salle Garnier in Monte Carlo, with Anne Sofie von Otter and Christine Barreau in the title roles, while in Madrid on March 6, 9, 11, 13 and 15, Antoni Ros Marbà conducts and Stefania Tsozytska and Judith Blegen are the principal singers.



A dance hall scene from "Radio Days," and, left, director Woody Allen at the age of 13, with his sister, Letty, in 1948.



# A Dance to the Music Of Yesterday

'It was a very glamorous age. . . radio had a tremendous hold on the nation.'

by Avery Corman

ON the boardwalk in the 1940s, dancers did the Lindy to music from a juke box in front of "Meyer's Knishes." Nearby was the Teak-Cup stand where you bought chow mein, then you ate the cup. You ate the kind of juke box with a screen that played "sondies," short subjects of big bands playing their hits, like Artie Shaw and his orchestra doing "Star Dust." The lamp-post lights along the boardwalk were painted black on the side facing the ocean so as not to be a beacon for German submarines. If a German plane ever flew overhead you would have spotted it for sure with your intimate knowledge of enemy aircraft silhouettes. I could go on and on. I could fill this article with references to my childhood in the 1940s during the war, of Rockaway at that time, of the sonnies, the textures.

Why does that time have such a hold on writers? Why do we have concurrently the evocative "Brighton Beach Memoirs," written by Neil Simon, from his Broadway hit, directed for the screen by Gene Saks, and the lyrical and delicious "Radio Days," set in that very Rockaway of the 1940s, written and directed by Woody Allen?

Both of these movies deal with generally the same period of time, both are set in residential beach areas, both deal with childhood in struggling Jewish families. But let us not presume any trend toward a new genre of "Jewish beach movie" here. For all the similarities of setting they are quite different, each a highly personal view of the writer. As to why Neil Simon and Woody Allen would both be attracted to this material, I think the years of the Depression and World War II were a particularly dramatic time to be a child. If you were a writer who grew up then, at some point in your career you have to deal with that time, that material, those roots.

Movies have a special quality as an art form to almost physically transport us to another time, to preserve a period so that we can literally see it. When I was a boy I sat in movie houses like the Loew's Paradise in the Bronx, now, ironically, that period is of another time and they are making movies about it. For Neil Simon and Woody Allen it is within their vision to tell us the time was simpler and more innocent. Because of the nature of film, that simplicity and innocence is made palpable. We can see it in the clothing people wore, the hair styles, the decor of the rooms they inhabited.

In "Radio Days," Woody Allen uses the importance of radio in our lives in the 1940s as the spine for a slight and sordid poem about his early years and the icons of that period. He weaves fictionalized events from his boyhood with fantasy stories of the Stork Club crowd. The cast of Woody Allen regulars has taken on the comedic character of Preston Sturges's ensembles. Among the performers, we have Mia Farrow doing another dazzling turn as a comedienne and a touching performance by Dianne Wiest.

"It was an extremely romantic time in the United States," Woody Allen said in discussing the movie. "Heroic young men were going off to fight and parrying with their sweethearts. And there was an enormous amount of that expressed in popular songs. It was a simpler age, and the music one heard on the radio was not ear-splitting, pretentious rock music. It was very lovely. I would put on the radio and hear Benny Goodman and Glenn Miller.

"Somebody else from the '50s and '60s would make the same cogent argument for the '50s and the '60s and so on. But for me it was a wonderful time. The country was extremely patriotic and America was pulling together in a way that it really didn't after. We had no television. The popular culture of the day was movies and radio, and it was a very glamorous age. Radio had a tremendous hold on the nation. One couldn't wait to

get up in the morning and be sick so you didn't have to go to school and you could stay home and just listen to the radio all day long.

"Families gathered together in the evening, and these wonderful stories were coming over the air. The people went to movie houses that were built on the order of European opera houses. I would present the argument that it was just a more charming time and a better time."

Of "Brighton Beach Memoirs," Neil Simon said: "I'm sure all through literature people have been writing about their early times. Dickens did it, he wrote about his youth. The Depression was, in a sense, a war. We were all in the same boat together. There's the scene in "Broadway Bound" where the boy says to his mother, 'Tell me what the old days were like.' This was my chance to show my daughters what the old days were like, and they got a much clearer picture of me seeing it up there than they would have if I just told them about it."

Neil Simon and Woody Allen inform us that they are dealing with autobiographical material. In this time of so many kiss-and-tell confessions, there is often a presumption that what writers do is stenographically record events from life. In my own experience I see the novel "The Old Neighborhood" north of the place where I grew up, and a woman wrote to me rather testily saying, "I knew every boy on the block. You must have changed your name for professional purposes." For me a strong connection between "Brighton Beach Memoirs" and "Radio Days" is in the area of craft. These are pre-eminent artists and they make it look easy, but each had to find the style and distance to make events from life work dramatically.

Beyond craft and the surface similarities of these two works, in terms of period, geography, economic background, ethnicity, "Brighton Beach Memoirs" and "Radio Days" share a quality that is extremely short supply in American movies today — personal vision. Both movies attempt to speak to us about American life. If you go through the newspaper today and look at the films in release, you'll see how few

relate to how we lived or how we live. About "Brighton Beach Memoirs," Neil Simon says:

"In mauling both as a writer and a person I wanted to start to investigate where all this came from. To question myself how it all happened. I knew the chronological details of my life but I didn't know the psychological ones. I felt like writing about a time when I was probably, and I think all of us are, the happiest in our lives — before the obligations start in. It was a fun time for me, going back. It was for myself I was doing it."

And Woody Allen has this to say about "Radio Days":

"The whole country was tied together by radio. We all experienced the same heroes and comedians and singers. They were giants. They were so huge and now today the whole thing has completely vanished. All those tremendous heroes and mythological characters that we lived with for decades when I was younger are completely forgotten or remembered by so few people. It tells you something. It's very sobering. There was just nobody bigger when I grew up than some of these people, enormous. We think we're hotshots. We think we have such a hold on the public and then with the passage of time it all gets dissipated. You really learn humility from it."

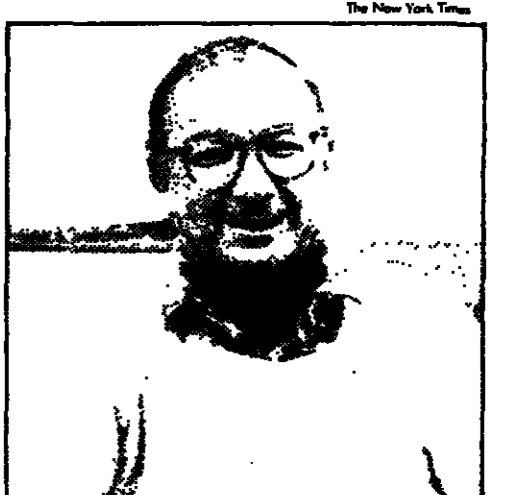
So have Neil Simon setting out to learn truths about himself, examining a part of his life and a period of time for his own understanding. We have Woody Allen serving as a curator of his memories and ours, trying to preserve a fondly remembered aspect of American life. Most screenplays today simply do not start out with such personal intentions, or if they do the movies are not made, or if they are made the screenplays are rewritten by other people.

Mona Mangan is the executive director of the Writers Guild of America, East. She cites the society of

producers in the face of the high cost of making and distributing movies today for the climate in which screenwriters are routinely replaced on projects. As a result, movies not only lack the personal vision of a writer but lack, as she describes it, a "unity of vision."

"The most serious creative problem for the screenwriter," Mangan says, "is the fact that the writer is perpetually being rewritten and a writer's version does not get to the screen in the vast majority of cases." As I watched these two movies, I was struck by that quality of getting your story told on your terms, in your style. Neil Simon is deftly aided by a skilled director he was worked with before, Gene Saks. Woody Allen does it all himself. And they retain their personal vision.

Avery Corman wrote the novels "Oh, God," "Kramer vs. Kramer" and "The Old Neighborhood." His newest novel, "50," will be published this spring. He wrote this article for The New York Times.



An ice-cream parlour encounter from "Brighton Beach Memoirs," based on a play by Neil Simon (right).



WEEKEND

Schnabel: Scale of a Talent

by Michael Gibson

PARIS — There has been a lot of talk about Julian Schnabel in the European art world, even before anyone here really had a chance to see his work...

He also has attracted public attention ever since he began gluing broken crockery over the entire surface of his paintings...

But if you believe what is being said about the man, and if you happen to be allergic to hype and chutzpah, chances are that you will walk into his big show at the Pompidou Centre with an unfavorable prejudice...

to speak for itself, this talent now has trouble making itself heard. Dollar signs confuse the retina while the heavy artillery of aesthetic theory, manned by critics of repute, merely serves to obfuscate the visitor's perception of what actually stands before him.

Since Schnabel's painting is escorted by a lot of high-powered commentary (and, in the Paris catalogue, by erudite and often interesting essays by such critics as Tom McEvilley), it is amusing to find him declaring that "too many theories stand between the spectator and the object of his contemplation."

A frequent, unfortunate assumption encountered in the critical approach surrounding artists like Schnabel is that it is possible to give an objective, almost scientific reading of what is actually emerging in the world of art by analyzing new works as though their appearance were subject to laws similar to those governing the evolution of language. It seems that we cannot make any such claim, however.

Art critics today, solicited to explain what is happening in the very moment it is happening, may be tempted to imitate the procedure of what has been referred to as "instant history." Instant art history is an impossible undertaking, of course, since only time allows one to measure the impact of (and to understand what has been achieved by) the life-work of an artist.

Some critics have even gone so far as to deal with paintings before they were finished. Before his death Jan. 17, an Italian newspaper recently devoted a long article to "an important painting" by Renato Guttuso that was still awaiting completion on the easel. This is the sort of thing from which Schnabel has both benefited (in terms of his career) and suffered (in terms of his artistic development).

The main quality one can recognize in his work is a form of professional authoritative-ness which is apparent even in the aggressive triteness in which he sometimes indulges. The main defect resides in the scale of the artist's self-indulgence — and by "scale" I mean the actual size of his works.

Scale is the major issue. Simple logic rightly assumes that large works are intended to make statements that are relevant to the community, while smaller ones give expression to a more private perception. Alfred Kubin's intimate world of terror is admirably served by a pencil and a small format of paper. But if his drawings were blown up to five-meters by five and rendered in oil, they would acquire a self-assuredness quite foreign to them in their present state.

Schnabel prefers to work on a large scale. But what he expresses on these broad surfaces refers, even more than do Kubin's drawings, to private impulse, which the viewer cannot hope to decipher as such, and which are complicated by a constant recourse to irony. As a result we are confronted by a contradictory statement: On the one hand, large scale, implying a statement of public relevance; on the other, an utterly private content.

As for the irony, it is apparent both in the titles of his works ("Portrait of God," "Prehistory: Glory, Honor, Privilege, Poverty," "Cirumnavigating the Sea of Shit," etc.) and in the way Schnabel tends to quote (heavy-handedly) from art history. It is a trait that once led the New York art critic Donald Kuspit to compare his paintings to "a Roman vomitorium." Such contemporary irony is derived from the romantic irony whose implications Hegel so well understood when he declared, more than 150 years ago, that it was a logical consequence of the absolute value given, in the culture of the



Julian Schnabel's "Exile," 1980, oil and antlers on wood.

day, to the individual ego. This presumably has some bearing on the egotism characteristic of Schnabel's attitude.

Once the ego is assumed to be the only power that gives all things their value, it follows that whatever the ego can create it can destroy. This, in the romantic view, justified the irony shown by the "genius" or creative individual in regard to all values.

And Hegel (in his "Aesthetics") even came to anticipate the dominance of anti-art in the 20th century. This is a problem with which Schnabel, according to his lights and his means, is still trying to cope. "As soon as irony becomes the foundation of artistic expression," Hegel wrote prophetically, "the non-artistic becomes the dominant principle in the creation of works of art."

Some critics would probably venture to justify Schnabel's use of large scale to express a purely private content by explaining that the artist thus demonstrates the absence of any common bond of meaning in society today. One may or may not be persuaded by this.

Julian Schnabel, Galleries Contemporaines, Centre Pompidou, Paris, to March 22.

ENGLAND

- LONDON:
Barbican Centre (tel: 638.41.41).
To April 26: Russian Style 1700-1920: Court and Country Dress from the Hermitage. 120 costumes and fashion accessories...

both photographs and oil paintings.

- Royal Academy of Arts (734.90.52).
To April 5: British Art in the Twentieth Century traces the development of the Modern Movement beginning in 1910 with the first exhibition of Post-impressionist paintings in England...

- Tate Gallery (tel: 821.13.13).
To June: British and American Pop Art: prints from the Tate's collection, including works by Peter Blake, Patrick Caulfield, David Hockney, Jasper Johns, Roy Lichtenstein, Claes Oldenburgh, and Andy Warhol.

FRANCE

- Centre Georges Pompidou (tel: 42.77.12.33).
To Mar. 2: Avant Garde Japan presents 500 works and documents to illustrate Japanese avant garde movements, 1910-1970.
To Mar. 22: Oskar Kokoschka drawings, 1906-1926.
To Mar. 22: Masterpieces of Miniature Furniture of the 16th-20th century.

INTERNATIONAL ARTS GUIDE

- Grand Palais (tel: 42.61.54.10).
To Feb. 9: France and Russia in the Age of Enlightenment: 600 exhibits illustrating early 18th century Franco-Russian cultural exchange.
To Mar. 1: Masterpieces of Miniature Furniture of the 16th-20th century.
To Mar. 22: Newly acquired works in the museum's 17th-18th, and 19th century departments.

- Museum für Ostasiatische Kunst (tel: (0221) 40.50.38).
To Feb. 27: Dian, a Vanished Kingdom of China: 2000 year old art and artifacts from southwest China.
To Feb. 8: Self Portrait of Germany. Photographs by August Sander.

GERMANY

- Bonn:
Rheinisches Landesmuseum (tel: 63.21.58).
To Feb. 22: Carl Andreas Abel, photographs 1945-1985.
Cologne:
Wallraf-Richartz-Museum.
To Mar. 22: Jacques Ignace Hittorff: An Architect from Cologne in Paris. Drawings by one of the chief architects of 19th century Paris.

- Museum für Ostasiatische Kunst (tel: (0221) 40.50.38).
To Feb. 27: Dian, a Vanished Kingdom of China: 2000 year old art and artifacts from southwest China.
To Feb. 8: Self Portrait of Germany. Photographs by August Sander.

- 150th anniversary of the portraitist's birth: 180 works are on view.
STUTTGART:
Staatsgalerie (tel: 212.50.50).
To Feb. 22: James Gillray (1757-1815), Master Caricaturist: displays 170 drawings by Gillray, the English engraver and pioneer of political caricature.
TUBINGEN:
Kunsthalle.
To March 15: Henri de Toulouse-Lautrec: 130 sketches and paintings.

ITALY

- Florence:
Palazzo Strozzi.
To May 4: Entitled 17th century Florence, the exhibition brings together over 500 works (paintings, drawings, sculptures and engravings) by 63 artists of the Florentine school.
VENICE:
Peggy Guggenheim Foundation (tel: 293.47).
To March 1: The Querini Stampalia: Portrait of an 18th Century Venetian Family.
Palazzo Ducale (tel: 249.51).
To March 1: China in Venice. Chinese civilization seen through art from the Han dynasty to the time of Marco Polo (25-1279 A.D.).

SPAIN

- MADRID:
Centro de Arte Reina Sofia.
To Feb. 9-Apr. 10: Taming retrospective exhibition, organized by the Museum of Modern Art in New York, of the graphic work of Jasper Johns.
To Feb. 17-June: Retrospective of the Mexican painter Diego Rivera (1886-1957).

UNITED STATES

- NEW YORK:
Cooper-Hewitt Museum (tel: 860-6868).
To Feb. 16: The Machine Age in America, 1918-1941; the aesthetics of the between the wars period; everyday objects and their influence on art.
Guggenheim Museum (tel: 360.35.00).
To Feb. 16: Oskar Kokoschka 1886-1980. A version of the retrospective seen at the Tate Gallery in London; includes 150 oils, watercolors and drawings.
Metropolitan Museum of Art (tel: 353.77.10).
To March 22: Van Gogh in Saint-Remy and Auvers features 90 paintings, the work of the last year and a half of the artist's life.
WASHINGTON, D.C.:
National Gallery (tel: 737.42.15).
To March 29: Henri Matisse: The Early Years in Nice 1916-1930. A third of the 170 paintings in the exhibition have never before been shown in public.
To Feb. 16: The Age of Correggio and the Carracci features nearly 200 examples of 16th and 17th century painting from the province of Emilia in Italy; aside from Correggio and the Carracci family, painters include Parmesanino, Lelio Orsi, Dosso Dossi, Domenichino and Guido Reni.
LOS ANGELES:
Los Angeles County Museum.
To Mar. 8: The Spiritual in Art: Abstract Painting 1890-1935; examines the link between abstract art and late-19th-early-20th-century spiritualism. Kandinsky, Kupka, Malevich, Mondrian are well represented.

THE NETHERLANDS

- AMSTERDAM:
Rijksmuseum (tel: 63.21.21).
To Mar. 15: Prints and drawings from the museum's collection, including portraits, oriental miniatures, sketchbooks, popular prints, and artist's autographs.
To Sept.: Photographs of post-war life around Amsterdam by Theo Baart and Carry Markemink.
Van Gogh Museum (tel: 020.76.48.81).
To April 12: Paintings and photographs by the Swedish dramatist August Strindberg.
KINDHOVEN:
Van Abbemuseum (tel: (40)44.92.31).
To Mar. 1: Carl Andre, sculptures 1959-1987.
LEYDEN:
Rijksmuseum van Oudheden.
To Mar. 9: Bibliotheca Apostolica Vaticana, rare manuscripts and facsimiles from the collections of the Vatican Library.

SWITZERLAND

- BERN:
Musée des Beaux-Arts.
To Feb. 15: A 75th anniversary

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WEEKEND

Hombroich: An Art Collector's Atlantis

by David Galloway

NEUSS, West Germany — From Atlantis to the Hesperides, from Shakespeare's "brave new world" to Melville's Typee, the island myth has proved an enduring fantasy. Characteristically, this earthly paradise is located somewhere beyond the known horizon. Even the most diehard daydreamer would scarcely plant it within North Rhine-Westphalia — the most densely populated and industrialized state in West Germany.

Indeed, the eager buyer of Hombroich Island never suspected that he was acquiring anything but mainland property. He knew, only, that the derelict villa and farm buildings, with their broad expanse of woods and meadows, would make an ideal setting for his extensive art collections. A friend and adviser had once prophesied that Karl-Heinz Müller, a businessman and art collector, would find an island home, and surveyors' maps unexpectedly revealed that a Rhine tributary had once forked here to create a watery frame for the property.

Müller, 50, had the silted channel dredged and began to explore the numerous hidden treasures of his domain. Despite its forlorn state, Hombroich had long been of interest to archaeologists and botanists. It contains evidence of one of the earliest Stone Age settlements in Northwestern Europe, as well as the remains of two Roman villas. In an adjacent wood recently annexed to Müller's holdings, the foundations of a medieval fortress await excavation.

The botanical interest is provided by exotic shrubs and trees from Iran, Japan and the Americas planted in the 16th century. Later owners added other rare varieties, but all had virtually disappeared in the dense undergrowth. Müller revealed the botanical wonders again and renovated the three-story

villa built there by a Wuppertal entrepreneur in 1813.

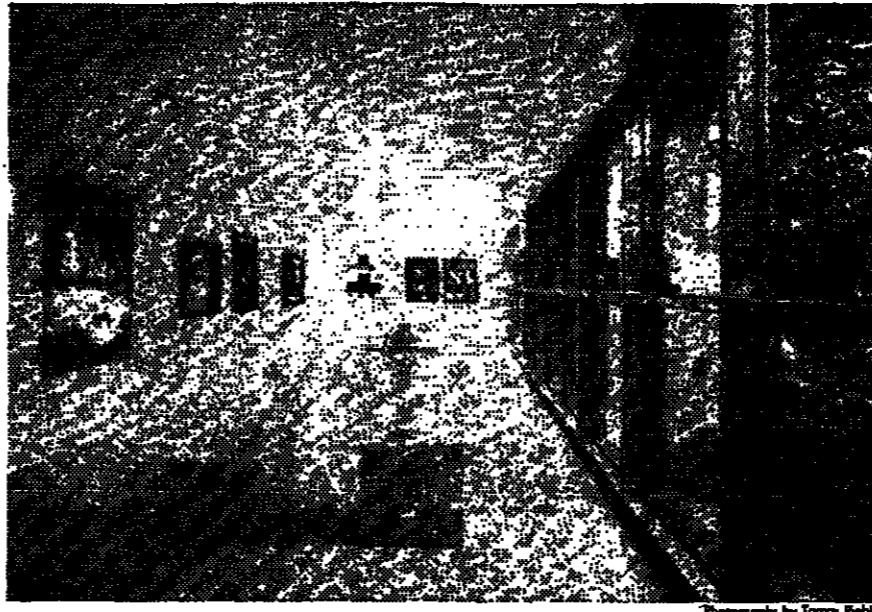
Today it houses paintings from Cranach to Schwitters, Klimt drawings, a dozen Cézanne watercolors, Art Deco furniture, and sculptures by Brancusi and Giacometti. The music room boasts a breathtaking suite of Corinth portraits.

Although he is almost constantly on the move, with his eyes open for new discoveries, he feels that his most important acquisitions have similarly found their own buyer. When he recently entered a telephone bid for a Rousseau portrait being auctioned in Tokyo, he doubted his offer stood a chance of success, but he was, in the end, the sole bidder.

He had always yearned for a work by Matisse, but he despaired of affording anything of museum quality. Then, following an auction of paintings in London, when other buyers had packed away their calculators, he snapped up five magnificent costumes that Matisse had produced for Diaghilev, each for £600 (about \$900).

Although he has collected seriously for less than two decades, Müller has amassed an inventory that many a professional museum director might envy. Or, indeed, that several might covet, for in addition to modern art there are Egyptian idols and prehistoric pottery, Chinese glass and furniture, Bauhaus lamps, African masks and Rembrandt etchings. If individual choices are sometimes dubious, the ensemble as a whole is superb; its quality reveals the businessman's savvy as well as the connoisseur's flair. The impressive suite of Fauvism canvases, for example, was acquired before the painter's revival, and no single work cost more than 15,000 francs (about \$2,400 at the current exchange rate).

Müller amassed his fortune along an axis stretching from London to Vienna, through speculation in industrial real estate, and he cherished the hobby that money and mobil-



Two interiors of Müller's Hombroich gallery complex.

ity made possible. The ultimate commitment, however, was prompted by a Taoist monk who advised him to sell his properties and buy paintings.

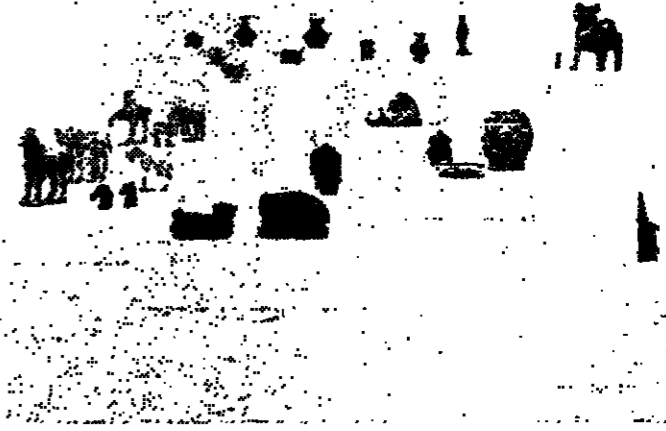
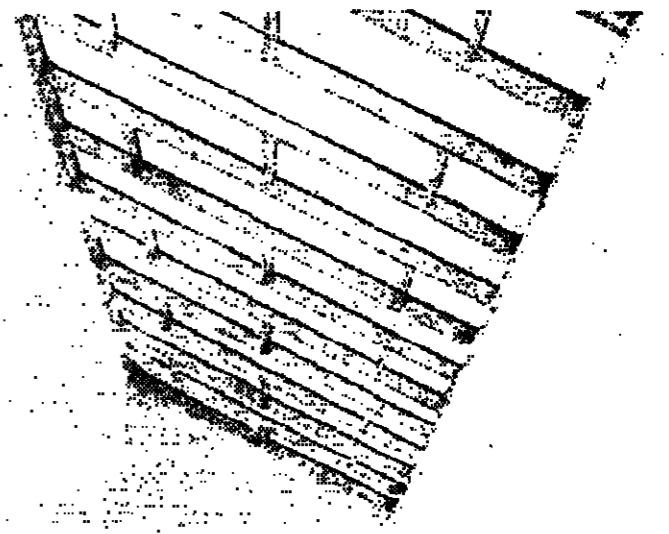
Müller has long since adopted the monk's ground rules as his own. "First comes a shock. Then the thing must be so good one wants to take it to bed. Finally, it should contain the entire concentrated life of the artist who produced it." A similar code applies to the conversion of Hombroich Island. The sculptor Irwin Hozzich is the sole architect, and his cubistic form-language has already created five mini-museums — including a graceful pavilion devoted to the works of Hans Arp. The newest structure is a labyrinth of

oriental stillness and purity, whose four entrances all lead to a central hall that will soon house the luminous canvases of Gotthard Graubner. Other structures will follow, and yet more sculpture will be scattered through the dense, park-like landscape.

Music, too, plays a key role on this enchanted island. Last summer there was a week-long festival whose performers included Sviatoslav Richter.

Hombroich Island (4040 Neuss 22) will be opened to the public on April 20. Until then, it can be viewed by appointment (Tel: 2182-2094).

David Galloway is a writer and professor based in West Germany.



Little Richard

Tracing Little Richard's Rock 'n' Roll Back to Gospel Roots

by John Rockwell

NEW YORK — Just recently, Warner Bros. released a new record by Little Richard, who is more formally known as Richard Penniman. With his crowing tenor-falsetto, his pompadour and makeup, his flashy suits and flashier piano style, Little Richard was one of the pioneers of rock 'n' roll.

But like so many other rock and soul performers (Jerry Lee Lewis, with his cousin Jimmy Swaggart; Al Green), Little Richard was torn between rock and gospel, between hell and heaven. In 1957, Little Richard turned his back on his early success, plunging into evangelical missions and gospel, re-emerging for a series of not-really-successful comeback attempts starting in 1964, only to return to the church and to gospel in the 1980s.

His new disk, "Lifetime Friend," is a gospel record, the friend being Jesus.

Richard Penniman was born in Macon, Georgia, in 1935 and recorded sporadically in Atlanta and Houston before defining his style with a series of rock records made in New Orleans starting in 1955. It was the heady New Orleans mixture of relatively unadulterated African music, Caribbean music, plantation music, blues, carnival dances and chants,

rhythm-and-blues and jazz in the session musicians who accompanied Little Richard that helped him discover his own secular image.

But there was another element, too, and that was gospel music. Black gospel is by no means as rooted in New Orleans as some more secular styles: it's a product of the entire South, and of the North, too — Cleveland, above all. Nor is it the fruit of some centuries-long evolution that then became translated into blues and rock. Gospel is really only a child of this century, of the Pentecostal and "sanctified" revivals of the turn of the century and of blacks' cultural self-assertion born of the same forces (radio, recordings, concert amplification) that shaped commercial secular music.

Gospel can't be said to be a single style. The constant interchanges, back and forth and back again, between the sacred and secular music of any given period blur the issue of priority. And gospel itself went through all manner of stylistic growth over the decades (with varying degrees of unbridled ecstasy and smoother harmonizing roughly reflecting parallel secular tastes). There were also subdivisions among the performing styles and forces — male and female "quartets," meaning small vocal ensembles by no means confined strictly to four; solo singers, first mostly female and now both male and female; larger choirs.

The mysterious relation of music to specific human emotions becomes all the murkier when one hears the same vocal inflections, the same cries

of pleasure and pain, the same guitar parts and pulsating rhythm sections applied to visions of Jesus and to barely disguised evocations of the sexual act (the very meaning of the term rock 'n' roll, after all).

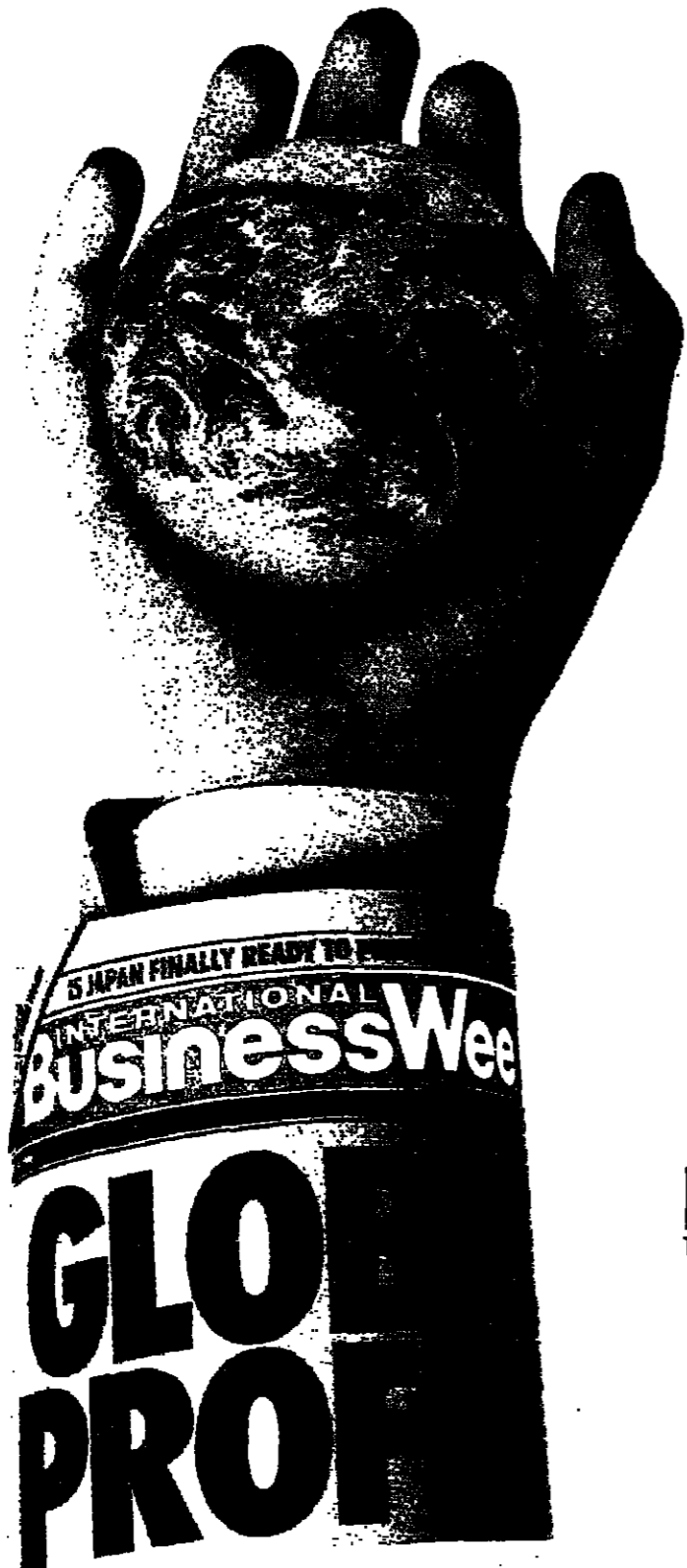
Young Southern blacks of the 1930s, '40s and '50s were mostly reared in the Baptist Church or ones very similar to it, and thus their earliest musical inclinations were born of gospel music, whether they eventually sang pop or gospel or both. Anthony Heilbut, the author of "The Gospel Sound," says Little Richard himself has adduced the gospel singer Marion Williams as a key inspiration (although at other times, Heilbut concedes, he's also shied away from attesting to any such indebtedness).

Heilbut even argues that Little Richard derived some of his early self-image, from the pompadour to the ecstatic gaze into the middle distance in early publicity photos, from a picture of Williams wearing a beehive hairdo when she was with the Clara Ward Singers, a gospel group. But one needn't trace Little Richard's taste in hairstyles to recognize the gospel inflections in "Tutti Frutti" as well as "Lifetime Friend."

The sheer, crazed vitality of Little Richard's early rock has never been equaled, by him or anyone else. But this disk reveals a still exciting voice and style, with the arrangements and production tailored to recall the earlier secular hits. Little Richard can be a moving singer as well as an exciting one.

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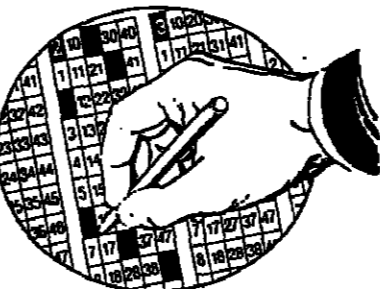
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FREE BONUS includes 3 draws FREE. Includes 4 draws FREE. 10 WEEKS (20 Draws) \$2 WEEKS (52 Draws) (104 Draws). 1 Game \$ 45. \$ 112. \$ 225. 2 Games \$ 90. \$ 225. \$ 450. 3 Games \$ 135. \$ 337. \$ 675. 4 Games \$ 180. \$ 450. \$ 900. 5 Games \$ 225. \$ 562. \$ 1125. 6 Games \$ 270. \$ 675. \$ 1350. VALID ONLY WHERE LEGAL. \*NOT AVAILABLE TO RESIDENTS OF SINGAPORE\* Y148

CANADIAN OVERSEAS MARKETING ORDER FORM

Grid of 6 game boards for Lotto 6/49. Each board has columns for numbers 1-49 and rows for numbers 1-6. Includes fields for NAME, ADDRESS/PO. BOX, CITY, COUNTRY, CREDIT CARD NUMBER, and SIGNATURE.

**NYSE Most Actives**

Symbol	Vol.	High	Low	Last	Ch.
GM	3471	32 1/2	32 1/8	32 1/8	+ 1/8
AT&T	4811	27 1/4	27 1/8	27 1/8	+ 1/8
IBM	2182	130 1/4	130 1/8	130 1/8	+ 1/8
IBM	2182	130 1/4	130 1/8	130 1/8	+ 1/8
IBM	2182	130 1/4	130 1/8	130 1/8	+ 1/8
IBM	2182	130 1/4	130 1/8	130 1/8	+ 1/8

**Market Sales**

NYSE 4 A.M. volume	NYSE prev. close	NYSE 4 A.M. volume	NYSE prev. close
25,000,000	25,000,000	25,000,000	25,000,000

**NYSE Index**

High	Low	Close	Ch.
185.00	184.00	184.00	+1.00

**Thursdays NYSE Closing**  
Via The Associated Press

**AMEX Diary**

Class	Prev.
Advanced	1.25
Declined	1.25
Unchanged	1.25
New High	1.25
New Low	1.25

**NASDAQ Index**

Class	Ch.	Prev.	Year	Year
Composite	+1.25	185.00	1987	1986

**AMEX Most Actives**

Vol.	High	Low	Last	Ch.
1000	100.00	99.00	99.00	+1.00

**Dow Jones Bond Averages**

Class	Ch.
Bonds	+0.12
Utilities	+0.12
Industrials	+0.12

**NYSE Diary**

Class	Prev.
Advanced	1.25
Declined	1.25
Unchanged	1.25
New High	1.25
New Low	1.25

**Odd-Lot Trading in N.Y.**

Buy	Sell	Ch.
1000	1000	+1.00

**Dow Jones Averages**

Class	Prev.
Advanced	1.25
Declined	1.25
Unchanged	1.25
New High	1.25
New Low	1.25

**Standard & Poor's Index**

Class	Prev.
Advanced	1.25
Declined	1.25
Unchanged	1.25
New High	1.25
New Low	1.25

**NASDAQ Diary**

Class	Prev.
Advanced	1.25
Declined	1.25
Unchanged	1.25
New High	1.25
New Low	1.25

**AMEX Stock Index**

High	Low	Close	Ch.
100.00	99.00	99.00	+1.00

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

# Dow Breaks Through 2,200

**NEW YORK** — Prices on the New York Stock Exchange finished higher in heavy trading Thursday, pushing the Dow Jones industrial average to its first close above 2,200. The Dow rose 10.27 to close at 2,201.49. Gainers led losers by a 3-3 ratio among the 1,996 issues traded. Big Board volume was about 258.3 million, up from 224.4 million on Wednesday. Thursday's volume represented the second biggest trading day in the market's history, with only the 302.4 million shares that traded on Jan. 23 exceeding it. Prices were higher in heavy trading of American Stock Exchange issues. The Dow's advance was not without its problems. During the afternoon, an unconfirmed report that Terry Waite, the Angolan hostage negotiator, had been shot in Lebanon threatened the advance. The Waite report, which appeared in a West German newspaper, caused concern about U.S. actions in the Middle East and provided an excuse to take profits, traders said. A White House statement that it had no information on the accuracy of the report then prompted a return to buying, they said. "This afternoon there was a rumor that Terry Waite had been shot. That brought uncertainty to the market with the potential of an international incident," Thomas Ryan of Kidder Peabody said. "Defense stocks did O.K. at the time and the market resumed because there was no certitude to the report." On Jan. 23, the first time the Dow rose above 2,200 during any session, the index, which had gained about 64 points by early afternoon, took

a sudden dive, falling 114 points to a deficit of 50 in the span of 71 minutes. That day the Dow closed 44 points lower. "This 2,200 level is a reaction area," said Jon Groveman, a trader at Ladenburg, Thalmann & Co., "and at one point today, the market got a little overextended and looked for a reason to take some profits." Technology issues returned to the forefront of the market with IBM leading the way. IBM trading ex-dividend, rose 1 3/4 to 136 3/4. Digital Equipment 3 3/4 to 150 3/4. Unisys 2 3/4 to 98 3/4. Cray Research 3 3/4 to 116 3/4 and Prime Computer 1 3/4 to 23 3/4. Semiconductors were also strong gainers. Texas Instruments jumped 3 1/4 to 159 3/4. Motorola 1 to 49 3/4 and Advanced Micro Devices 2 to 23. Analysts are expecting semiconductor orders for January, as reflected in the industry's book-to-bill ratio to be released next week, to be very positive. General Motors, which reported fourth-quarter earnings of 97 cents a share compared to \$3.85 a share a year earlier and reported a write-off of \$1.2 billion for the quarter, led the NYSE consolidated active list with a gain of 1 3/4 to 80. "The perception is that U.S. car companies will broaden their market share primarily because the currency situation is in their favor," Mr. Ryan of Kidder said. Ford posted a gain of 2 1/4 to 79 3/4 and Chrysler, which reported a rise in fourth-quarter earnings of \$2.21 a share compared with \$1.31 a share reported in the same period a year earlier, rose 1/2 to 50 3/4. In the insurance stocks, American International rose 1 3/4 to 68 3/4, Aetna 1 1/4 to 61 3/4, Chubb 2 to 65 3/4 and Marsh & McLennan 2 1/4 to 65 3/4.

Table with columns: 12 Month High, Low, Stock, Div. Yld. PE, 52 Wk High, Low, Last, Ch. (Rows A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z)

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LE Clip  
FRIDAY, FEBRUARY 6, 1987  
Putting R2-D2 To Work in the  
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Interest R

TECHNOLOGY Putting R2-D2's Cousins To Work in the Factory

By BARNABY J. FEDER New York Times Service

NEW YORK — The mobile robot installed last month at the Orlando, Florida, semiconductor plant of American Telephone & Telegraph Co. is unlikely to remind anyone of ballistic missiles or jet aircraft...

A new generation of mobile robots is guided by gyroscopes and computer controls.

The company that built AT&T's mobile robot system and a similar materials-handling unit for Nikon, the Japanese camera company, is Flexible Manufacturing Systems Inc. of Los Gatos, California.

INDUSTRY SOURCES estimate that as many as 50 companies are selling or planning to sell AGVs, including many of the major suppliers of traditional materials-handling equipment such as conveyors and forklifts.

GM, the industry's most avid customer in recent years, has curtailed its buying plans because of falling profit.

The AGVs do two basic jobs. Some, like Scooter, are materials handlers that use miniconveyors, forklift attachments or robot arms to handle goods.

See ROBOTS, Page 13

GM Profit Declines By 69.5%

But Chrysler's Net Rises 50.5%

DETROIT — The cost of plant closings and other efforts to curb production slashed General Motors Corp.'s fourth-quarter profits to 69.5 percent below the same period a year earlier...

Fourth-quarter earnings were reduced by a \$1.22 billion provision for plant closings and other restructuring. During much of 1986, GM suffered from overproduction of vehicles and moved to reduce its manufacturing capacity.

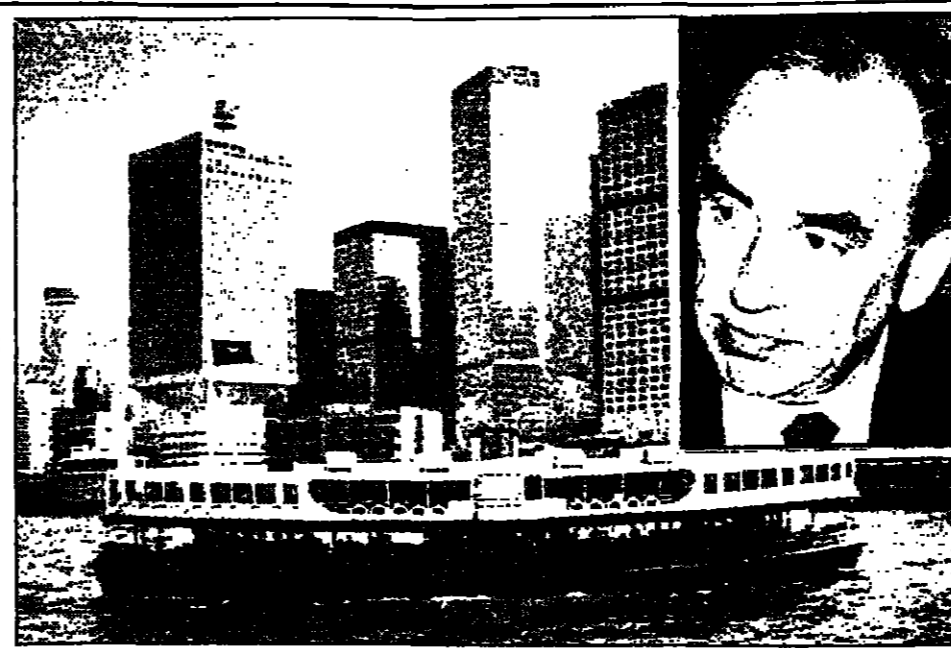
GM's sales and other revenues during the quarter totaled \$25.53 billion, up 3.6 percent from \$24.64 billion in the corresponding period a year earlier.

GM said net income in 1986 totaled \$2.95 billion, or \$8.21 a share, down 26.3 percent from \$4 billion, or \$12.28 a share, in 1985.

Sales and revenues for the year totaled \$102.8 billion, up 6.6 percent from \$96.4 billion in 1985. Operating income for the year totaled \$1.43 billion, down 66 percent from \$4.21 billion in 1985, GM said.

In a statement, GM's chairman, Roger B. Smith, and president, F. James McDonald, said the year's results "reflected the anticipation

See CARS, Page 13



Part of Hong Kong's central skyline. Inset is Rupert Murdoch, whose News Corp. recently bought one of the colony's big companies, South China Morning Post Ltd.

Hong Kong: Fair Dinkum, Mate Australian Entrepreneurs Flock to Offshore Base

By Patrick L. Smith International Herald Tribune

HONG KONG — From his small, informal office in Hong Kong's Central District, Wilson H. Banks eyes a clear view of the slopes leading up to Victoria Peak.

As general manager in Asia for Bond Corp., Mr. Banks is the chief representative here of Alan Bond, the Australian entrepreneur whose fast-expanding empire includes substantial interests in brewing, real estate and television broadcasting.

Bond Corp.'s acquisition late last year of the residential portfolio of Hongkong Land Co., the territory's premier property company, was intended to be just what it looked like: a highly visible debut for a Hong Kong-based, worldwide investment concern, World Corp. International Ltd.

"Alan wanted to inject an asset the market here could make

sense of," Mr. Banks said in a recent interview. "With a long-term investment, we hoped to make Hong Kong comfortable with what we're doing."

What Mr. Bond is doing is typical of his more-adventurous countrymen these days. To the applause of some and the

'The Australian companies coming here want to push out their boundaries into the Northern Hemisphere.'

—David J. Humann, Price Waterhouse

cern of others, Australian entrepreneurs, and some from New Zealand, are busily launching offshore companies here to ride Hong Kong's buoyant stock market and develop new investments in Asia, Europe and North America.

France to Sell TV Channel for 4.5 Billion FF

By Jacques Necher Special to the Herald Tribune PARIS — The government said Thursday that its sale price for TF1, France's largest television channel, would be a minimum of 4.5 billion francs (\$743 million).

The 50 percent of TF1 set aside for corporate applicants will cost at least 3 billion francs, the Finance Ministry said. The remaining 1.5 billion francs worth of shares will be sold to individual investors and employees, 40 percent and 10 percent respectively, at a still undetermined share price.

The sale to corporate investors is expected to take place before June. Sale to private investors is expected at the end of June.

TF1 was formed in 1975 when the state-run broadcasting authority was broken up. It is now the most-watched of the six channels, garnering about one-third of the television audience among France's 55 million people.

By comparison with U.S. television networks, for example, TF1 is relatively small. One of the American networks, ABC, changed hands in 1985 for \$3.5 billion, more than four times the price set for TF1.

Since the government announced last summer that TF1 would be sold, at least three groups have announced their interest in the channel, which posted a loss of 180 million francs in 1985.

The operator of TF1 will have considerable opportunity to shape it into a profitable venture. Not only will it be able to reduce what some critics say is a bloated payroll, but it will have access to a fast-growing advertising pie.

Ad spending on French television is expected to grow from 7.5 billion francs this year to almost 14 billion francs by 1990, according to a recent study.

Bidders have a month to present their final proposals to the National Commission on Communication and Freedoms, CNCL, a regulatory body. Although CNCL, established last fall by the conservative government of Prime Minister Jacques Chirac, is independent in structure, analysts expect a large measure of politics in the ultimate decision.

Xavier Debeugny, an analyst with the Puget stock brokerage in Paris, said the 4.5 billion franc minimum price appeared reasonable, though he added it was not primarily determined by the financial and market position of TF1.

Since Charles de Gaulle founded France's Fifth Republic in 1958, "there has been a very strong relationship between public power and television in France," he said.

"Now, the problem for the government has been to determine a price for that power. It's difficult, because it is not a financial question."

Indeed, the opposition Socialists have said the station should not be sold for less than 10 billion francs. They have promised to renegotiate it if they return to power.

Considered in the best position to win control of TF1 is a consortium led by Hachette, the big publishing group, and Havas, the state-owned advertising and communications group. Jean-Luc Lagardère, Hachette chairman, said a recent pact calls for Hachette to put up 25 percent and Havas 15 percent. The remaining 10 percent would come from other partners.

The fact that both parties are already involved in communications is considered a plus in terms of expertise, but there are questions about the potential concentration of media power that a Hachette-Havas ownership could pose.

Another group in the race for TF1 is led by Francis Bouygues, head of the Bouygues SA construction company. Mr. Bouygues has teamed up with the weekly news magazine, Le Point.

Claire Pichon, a spokeswoman for Mr. Bouygues, said his bid would be based on a promise to keep most of the channel's current programs. "We would run TF1 like an industrial operation," she said.

"That means we would only make changes in the management."

The group to most recently announce interest in TF1 is led by Michel Baroin, head of the GMF insurance group and the FNAC retail chain.

In the wings are another half-dozen possible contenders.

U.S. Domestic Car Sales Fell 28.5% in January

By John Holusha New York Times Service

DETROIT — Reflecting the effects of year-end buying in advance of changes in the tax laws, U.S. sales of new domestic automobiles declined 28.5 percent, to 624,979 units, in January, according to figures reported by manufacturers and importers.

The seasonally adjusted annual selling rate for the month was 7.1 million, a sharp decline from 11.5 million in January 1986, when sales incentives were offered.

The seasonal selling rate for domestic cars was 5.7 million, while the rate for imports was 2.4 million.

Sales of domestically assembled cars was off 32.7 percent in the month, while imports declined 17.4 percent, at least partly because inventories were depleted by the strong sales last year.

But sales of domestic cars were off 25.8 percent in the final 10 days of the period, and the adjusted selling rate was 6.3 million, indicating that sales were gaining strength as the month drew to an end.

"It's still payback from tax reform," said Edward J. Sullivan, an analyst with Chase Econometrics.

France Registers First Surplus On Current Account Since '79

PARIS — France registered a current-account surplus of 25.4 billion francs (\$4.2 billion at current rates) in 1986, its first since 1979, Finance Minister Edouard Balladur said Thursday.

In 1985, France recorded a deficit of 1.5 billion francs on its current account, a broad trade measure that includes merchandise as well as such nonmerchandise items as services.

The deficit in merchandise trade, the difference between exports and imports of produced goods, narrowed to 15 billion francs from 48 billion in 1985, Mr. Balladur said.

Trade in services posted a surplus of 37 billion francs, close to the 1985 figure of 38.8 billion.

"For the first time since 1978 our foreign trade has found its balance," Mr. Balladur said. The improved figures reflected a sharp fall in energy prices during the year and a continuing surplus in the food and agriculture sector, he said.

But these gains were partly offset by a steep decline in industrial trade and lower tourist earnings following the Chernobyl nuclear accident last April and concern about terrorist attacks in Europe, he said.

The industrial trade surplus fell to 32.3 billion francs from 82.6 billion in 1985, while revenue from tourism fell by more than 5 billion

Growth opportunities worldwide

ASSET MANAGEMENT IN SWITZERLAND

Private banking clients have many different goals, but they all face one problem: how to protect and build their assets in an increasingly complex world.

As step one, our investment counselors will analyze your individual situation - including your financial goals and current investments - and advise you on the portfolio that best suits your needs.

Our money managers then monitor your portfolio on a full-time basis, alert to any economic developments that may affect your investments. If you wish, we accept discretionary power to handle investment decisions on your behalf, in accordance with your personal goals.

Also, while our approach is Swiss, our outlook is global. Our network of 85 offices in 39 countries - one of the world's largest - gives us worldwide presence and access to extensive resources.



Currency Rates

Table with columns for Country, Bid, Ask, and other currency rates.

Other Dollar Values

Table with columns for Country, Bid, Ask, and other dollar values.

Interest Rates

Table with columns for Eurocurrency Deposits, 1 month, 3 month, 6 month, 1 year.

Key Money Rates

Table with columns for Country, Bid, Ask, and key money rates.

U.S. Money Market Funds

Table with columns for Fund Name, Bid, Ask, and U.S. money market funds.

Gold

Table with columns for Location, Bid, Ask, and gold prices.

Thursday's NYSE Closing

Tables include the nationwide spread up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: High, Low, Stock, Div. Yld. PE, 52 Wk High, 52 Wk Low, Open, Close, Chg. Includes various stock symbols like AIG, AIG-PA, AIG-PR, etc.

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U.S. Futures

Via The Associated Press

Table with columns: Season, High, Low, Open, High, Low, Close, Chg. Includes various commodity symbols like Soybean, Corn, etc.

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Food

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Metals

Season, High, Low, Open, High, Low, Close, Chg.

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Industrials

Season, High, Low, Open, High, Low, Close, Chg.

Table with columns: Season, High, Low, Open, High, Low, Close, Chg. Includes various industrial commodity symbols like Lumber, Cotton, etc.

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NYSE High-Lows

NEW HIGH 528

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U.S. Retailers Report

Mixed Sales Figures

The Associated Press NEW YORK — January brought the largest U.S. general retailers a mixed bag of sales results...

World's Wheat Output

In 1986 Called a Record

LONDON — The International Wheat Council said Thursday that world wheat production was estimated last year at a record 533 million metric tons...

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Thursday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect local trades elsewhere.

Table A: 12 Month High Low Stock Div. Yld. PE etc. for various companies like ACI, AMX, etc.

Table B: 12 Month High Low Stock Div. Yld. PE etc. for various companies like BAI, BDM, etc.

Table C: 12 Month High Low Stock Div. Yld. PE etc. for various companies like C, C, etc.

Table D: 12 Month High Low Stock Div. Yld. PE etc. for various companies like DWG, D, etc.

Table E: 12 Month High Low Stock Div. Yld. PE etc. for various companies like E, E, etc.

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 5 Feb. 1987

Large table listing various international funds such as ALMA Management, BANK JULIUS BAER & CO. L.M., etc. with columns for fund name, share price, and other details.

Be sure that your fund is listed in this space daily. Telex Matthew GREENE at 613595F for further information.

Vertical advertisement for 'CURRENCY MARKET Dollar Rise' and 'EUROMARKET' with various market-related text.

DM - Deutsche Mark; FF - French Franc; P.F. - Dutch Guilder; L.F. - Luxembourg Franc; L.S. - Luxembourg Franc; ECU - European Currency Unit; etc.

Source: Credit Suisse-First Boston Ltd. London

Floating-Rate Notes table with columns for Issuer/Note, Coupon, Maturity, Bid, and Ask prices for various notes.

Source: Credit Suisse-First Boston Ltd. London

Source: Credit Suisse-First Boston Ltd. London

CURRENCY MARKETS

Dollar Rises on Mideast Rumors

NEW YORK — The dollar advanced Thursday, largely on unsubstantiated rumors from Lebanon of an impending U.S. invasion.

The dollar rose in New York to close at 1.8365 Deutsche marks, after 1.8145 DM on Wednesday, to 153.60 Japanese yen, up from 152.70, to 1.5475 Swiss francs, up from 1.5315, and at 6.121 French francs, up from 6.0530.

The dollar's initial rise in Europe came on reports from Beirut, circulated by the Moslem militia, that a U.S. invasion was imminent. The reports were denied by the Defense Department.

"The invasion rumors didn't have much impact here but they sent the dollar up in Europe," said Linda McLaughlin, chief trader at

London Dollar Rates

Table with 3 columns: Currency, Thu., Wed. Includes Deutsche mark, French franc, Japanese yen, Swiss franc, and Pound sterling.

Shearson Lehman Brothers International. "In addition, the G-5, G-7 reports continued to underpin the dollar."

David C. Mulford, assistant

M-1 Money Supply Up \$500 Million in Week

NEW YORK — The U.S. M-1 money supply rose \$500 million to a seasonally adjusted \$732.4 billion in the week that ended Jan. 26, the Federal Reserve said Thursday.

The previous week's M-1 level was revised to \$731.9 billion from \$732.2 billion. The four-week moving average fell to \$737.2 billion from \$739.5 billion.

M-1, the narrowest measure of money supply, includes cash checking accounts and nonbank traveler's checks.

G-7 Aides Play Down Currencies

FLORENCE — Top officials of seven leading industrial nations meeting here will not discuss holding a rapid ministerial session on stabilizing currency markets, several officials said Thursday.

The officials from what is known as the Group of Seven began a formal session to prepare for a June summit meeting in Venice. The group includes Britain, Canada, France, Italy, Japan, the United States and West Germany.

Officials were asked to comment on reports from officials and diplomats in Tokyo that the possibility of a meeting on currencies by ministers from the Group of Five was likely to be discussed in Florence.

The Group of Five, which discusses the relationship between major international currencies, does not include Canada and Italy.

The possibility of the Group of Five's meeting to discuss currency market disarray was one of the factors this week that broke a month-long slide of the dollar. Dealers believe it possible that the G-5 could agree on measures to help support the U.S. currency.

General officials at the meeting said in interviews, however, that there were no plans to discuss this topic. "There is no preparation for any G-5 meeting here," one said.

The discussions here are expected to focus on economic policy coordination, trade, Third World debt and agriculture.

Asked whether the topic of G-5 had arisen in discussions so far, one official at the Florence meeting replied: "This is not the place for it."

In Rome, Italian Treasury sources were quoted by the news agency Agenzia Italia as saying any discussion on currencies should be within the Group of Seven, not the Group of Five.

Agreements reached at the G-7 summit meeting in Tokyo last May made clear that any such talks on currencies would have to include Italy and Canada, they added.

Asked about prospects of such a meeting soon at G-7 level, the Italian sources said authorities in the various countries were "obviously in daily contact," but were using "necessary reserve and caution."

Pesch Seeks to Build Health Chain

By Arthur Higbee International Herald Tribune. LeRoy A. Pesch, a doctor and businessman, is seeking to build a major health-care chain with his bid this week to acquire one of the largest hospital companies in the United States for \$1.74 billion.

The New York Times reported. Dr. Pesch, 55, is a gastroenterologist and has been a medical administrator, academic, government official and businessman. Dr. Pesch is going after American Medical International Inc. of Beverly Hills, California, which has 90 hospitals in the United States and 22 abroad, along with 35 other health-care units.

Along with his health-care interests, Dr. Pesch controls finance, real estate, aviation and information systems companies. In all, his enterprises are estimated to have

yearly sales of more than \$1 billion. Dr. Pesch, a native of Rowan, Iowa, is a 1956 graduate of the medical school at Washington University in St. Louis, Missouri. After spells of teaching and hospital administration, he established his own health-care business, Pesch & Co. of Lake Forest, Illinois, in 1976.

Norfolk Southern Corp., a major railroad based in Norfolk, Virginia, has asked Robert B. Clayton, who was to have retired Dec. 31 as chairman and chief executive, to stay on until the end of February. His designated successor, Arnold B. McKinnon, former executive vice president for marketing, had heart surgery in early January. Mr. Clayton, who turns 65 on Feb. 27, agreed to fill in until Mr. McKinnon, 59, recovers.

Insat Corp., of Santa Clara, California, a leading manufacturer of computer chips, has promoted its president, Andrew S. Rowan, from chief operating officer to chief executive, effective April. Mr. Rowan, 50, who emigrated from Hungary after the 1956 uprising there, succeeds Gordon E. Moore, 58, who will remain chairman.

LTV Corp., the Dallas-based steel, aerospace and oil-field supplies conglomerate, said Albert V. Casey, the U.S. postmaster general and former chairman of AMR Corp., and John Evans, an advisory director of Morgan Stanley & Co., have been elected to the board by preferred stockholders, bringing board membership to 12.

Commercial Credit Corp. of Baltimore, headed by the former American Express Co. president, Sanford I. Weill, has named Joseph P. DeAlessandro chairman and chief executive of insurance services. Mr. DeAlessandro, 56, was

the president of National Union Fire Insurance Co. of Pittsburgh and a vice president of its parent company, American International Group.



LeRoy A. Pesch

BUSINESS PEOPLE

AUSTRALIANS: Fair Dinkum, Mate, for Entrepreneurs in Hong Kong

(Continued from first finance page)

be floated separately on the stock market here. Since he launched Impels little more than a year ago, Mr. Judge has been seeking listings for as many of his subsidiaries as possible.

Viewed in its widest context, Australian executives say, the new ventures in Hong Kong reflect a general shift in Australia's economic focus, which is leading it away from its European heritage in favor of the high-growth economies of the Pacific region.

Once a minor factor in Australia's foreign trade, East Asia now accounts for 55 percent of the nation's total exports of 32 billion Australian dollars (about \$21 billion) and 40 percent of its imports of 34.7 billion dollars, according to official statistics.

More immediately, Australians here say they are escaping an unimaginative business environment that is beset with high labor costs, high interest and inflation rates and prohibitive taxes on capital gains, profits and overseas earnings that are repatriated.

Accordingly, Australians in Hong Kong are attracted not only by its favorable business climate, but also by its advantages as a base for worldwide expansion: Corporate taxes here are a flat 18.5 percent; profits generated offshore are tax-exempt.

Recent investments by Industrial Equity, for example, include a California bank, an Ohio chain of department stores and a British auto distributor. It is now bidding for Resorts International, a casino operator in Atlantic City, New Jersey. Similarly, Sunshine Pacific Ltd., a

diversified property and industrial group, has just added a Brazilian gold mine to its lengthening list of acquisitions.

"Australia is an expensive place to operate, and there's no desire there to compete in world markets," said David J. Humann, a native of Perth who is a partner in Hong Kong at Price Waterhouse, the accounting firm. "The companies coming here want to push out their boundaries into the Northern Hemisphere."

What Hong Kong has attracted, in short, is Australia's first generation of global movers and shakers. And as much as anything else, they are drawn by the opportunity to finance their growth by raising capital in Hong Kong's surging share market.

After its purchase of residential properties, for example, Bond International issued 296 million new shares, of which it kept 180 million. Launched at 1.18 Hong Kong dollars (about 15 U.S. cents) each, shares are now trading at just under 4 dollars each.

Bond International is also preparing a 1 billion dollar share issue to help finance its purchase last month, for 1.4 billion dollars, of 23.5 percent of TVB, one of two commercial television stations here.

The arrival of such companies as Bond in Hong Kong has generally been welcomed, particularly given the importance of foreign investors to the territory's confidence in its future after 1997, when China is to assume sovereignty.

But many market watchers — and some government regulators — have come to view

the Australian phenomenon warily. Too many of the new arrivals, they assert, are growth-by-acquisition companies whose strength will fade whenever the stock market retreats.

Some, such as Industrial Equity, have little more than office space in the territory. Others, such as Sunshine Pacific, have assets so far afield that their worth is difficult, if not impossible, for local investors to evaluate.

As a result, they have introduced a heavily speculative element into a market that is already too volatile by the standards of many of the institutional investors Hong Kong is eager to attract.

"There's a lot of blue sky in some of these companies," said Derek J.M. Murphy, Hong Kong's deputy securities commissioner. "We would prefer to see some of the better-known Australian companies coming here, with proven track records and established backgrounds."

Mr. Murphy said that he had the "gravest concerns" about some recent arrivals. "We are increasingly concerned about companies that don't actually do anything themselves, but simply raid others," he continued. "It's a phenomenon that is inevitably linked to bull markets."

Despite such hints of a possibly tighter regulatory stance, however, most Australian companies still see Hong Kong as a highly attractive alternative to the constraints at home.

"If you want to expand elsewhere in the world, Hong Kong is probably the best location for an Australian," said Bill Wyllie, a long-time Australian resident here. "The only surprise for me is that it has taken them so long to wake up to the advantages here."

THE EUROMARKETS

Germans Launch 3 Australian Dollar Bonds

By Christopher Pizzev. LONDON — The primary sector of the Eurobond market was enlivened Thursday by the launch of three Australian dollar issues totaling 190 million Australian dollars for West German banks or their units, dealers said.

In the secondary markets, the floating-rate-note sector had an active day's trading, mainly ending between 3 and 10 basis points firmer after opening gains stretched to as much as 20 basis points.

The dollar-straight market was slightly firmer as operators awaited the completion of the U.S. Treasury auctions late Thursday.

Of the day's Australian dollar bonds, the most successful was a 100 million dollar issue for Deutsche Bank Finance NV, guaranteed

by Deutsche Bank AG. The five-year bonds pay 14 1/2 percent and were priced at 101 1/4.

A trader at a bank that was involved in the deal said, "German bank names have been in demand recently and, let's face it, they don't come any bigger than Deutsche."

He noted that the issue started trading at a discount of about 1 1/2 percent but quickly moved to 1/4 percent, its eventual closing level. The lead manager was Deutsche Bank Capital Markets.

A Deutsche Bank Capital Markets spokesman said that the issue was largely aimed at Deutsche Bank clients and that Deutsche Bank Capital Markets had taken about 70 percent of the issue itself.

(Jersey) Ltd. issued a 50 million Australian dollar bond guaranteed by Veritas and Westbank AG.

The five-year bond pays 14 1/2 percent and was priced at 101 1/4. The lead manager was Bayerische Vereinsbank AG.

The issue was quoted on the when-issued market at a discount of about 1 1/2 percent, inside the total fee of 2 percent.

The day's other offering was a 40 million Australian dollar issue for BHF Bank Finance Jersey Ltd. that was guaranteed by Refiner Handels and Frankfurter Bank AG.

The five-year bond pays 14 1/2 percent and was priced at 101 1/4. The lead manager was Morgan Guaranty Ltd. It was quoted inside the 2 percent fee at around 1 1/4 percent.

Thursday's OTC Prices. NASDAQ prices as of 3 p.m. New York time. Via The Associated Press.

Table A: OTC prices for various stocks including ADC, ASE, AT&T, and others.

Table B: OTC prices for various stocks including BAC, BHP, and others.

Table C: OTC prices for various stocks including C, D, and others.

Table D: OTC prices for various stocks including E, F, and others.

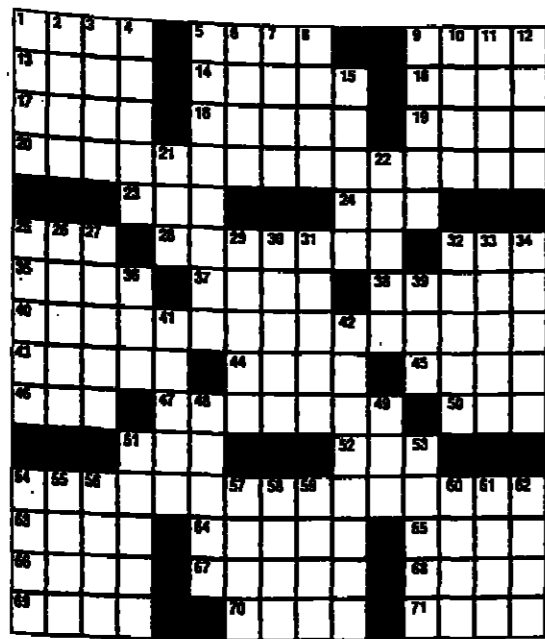
Table E: OTC prices for various stocks including G, H, and others.

Table F: OTC prices for various stocks including I, J, and others.

Table G: OTC prices for various stocks including K, L, and others.

Table H: OTC prices for various stocks including M, N, and others.

State figures are unofficial. Yields shown are only for the previous 22 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividends are shown for the new stock only. Unless otherwise noted, rates of dividend are annual distributions based on the latest declaration.



**ACROSS**

1 Tail, coarse grass  
5 Reduce  
9 Run producer  
13 Film holder  
14 Emulate Paul Revere  
16 White  
17 Wild female buffalo  
18 Flight maker  
19 Actress  
20 Gambler's phrase  
23 Late-show time  
24 Rent  
25 Strike out  
28 Desk-top gear  
32 Lobster eater's garb  
35 Lat. catchall  
37 "Wah" for those who say "ouh"  
38 Like the White Rabbit  
40 Wheeler-dealer's phrase  
43 Unlimited  
44 Pole, e.g.  
45 Cry at Pan's parties  
46 Mary follower  
47 Set straight  
50 Dolls based on a film  
51 Casey's org.

**DOWN**

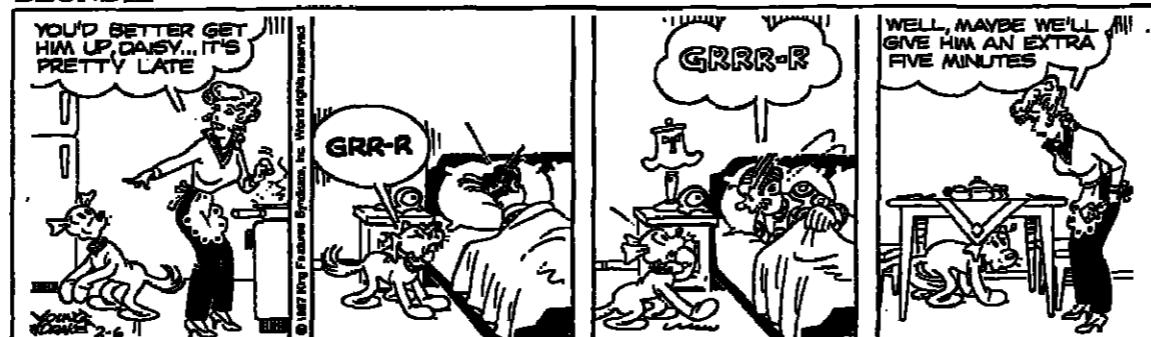
1 Rank after sr.  
2 Dynamic beginner  
3 Small, in Sedan  
4 Suspect's need  
5 Bargain chaser  
6 Tail, in Torino  
7 Go like lightning  
8 Hibernia  
10 "— lay me down"  
11 Egyptian symbol  
12 China's — of Four  
15 Trance's kin  
17 Grim distance  
21 Episporn  
25 What retrievers do  
26 Novel by Chateaubriand  
27 Fast's "The God"  
29 Loop for Captain Lynch  
30 Ringlets  
31 Mallorca and Menorca  
32 Alla —  
33 Vicium of anopsia  
34 Computer lunches?  
36 Savanna  
39 Hail, to Caesar  
41 City in SE Calif.  
42 All  
48 Croupier, at times  
49 A dwarf  
51 Like some eaters  
53 Ibsen verse drama  
54 Pitcher Sabaterang  
55 Once around So.  
56 Lagomorph  
57 Unique fellow  
58 Decorate anew  
59 Bikini parts  
60 Airplane's strut  
61 Kilt  
62 Oscillate

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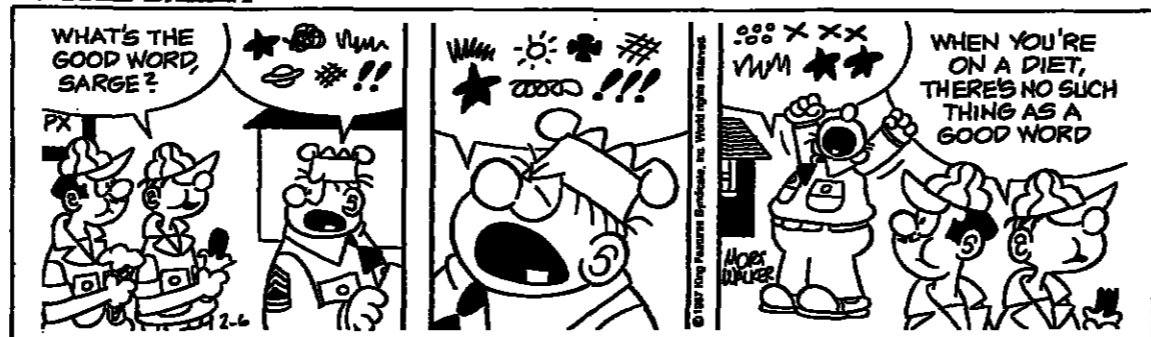
PEANUTS



BLONDIE



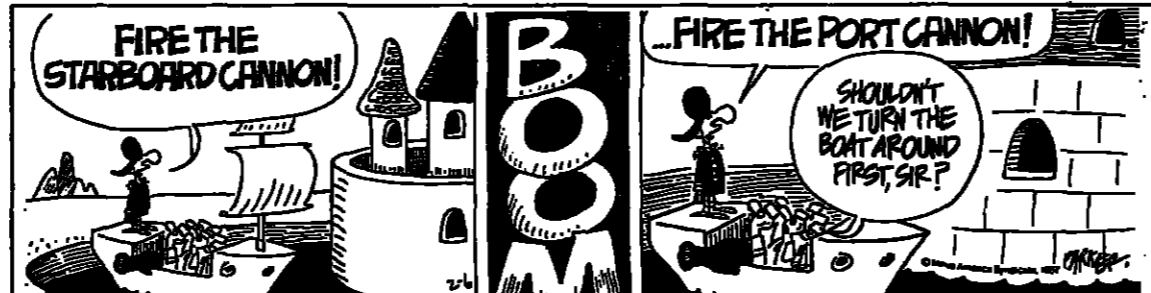
BEEBLE BAILEY



ANDY CAPP



WIZARD OF ID



REX MORGAN



GARFIELD



DENNIS THE MENACE



'NOW I'LL TELL YOU WHAT I'D DO IF I HAD MY LIFE TO LIVE OVER!'

JUMBLE

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

**BASSY**

**LAWZI**

**CLARRO**

**UNTHAG**

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here:  THE

Yesterday's Jumbles: HOBBY BELIE STOLID DRIVEL  
Answer: Why Dracula wasn't feeling up to par — HE HAD Tired BLOOD

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Alexandria	16	4	Bangkok	26	18
Amsterdam	12	5	Beijing	8	4
Antwerp	12	5	Bombay	26	18
Berlin	12	5	Brussels	12	5
Bombay	26	18	Calcutta	26	18
Brussels	12	5	Chongqing	16	8
Calcutta	26	18	Cairo	18	10
Chongqing	16	8	Delhi	26	18
Cairo	18	10	Hankow	16	8
Delhi	26	18	Hong Kong	20	12
Hankow	16	8	Kobe	16	8
Hong Kong	20	12	London	12	5
Kobe	16	8	Manila	26	18
London	12	5	Osaka	16	8
Manila	26	18	Shanghai	16	8
Osaka	16	8	Singapore	26	18
Shanghai	16	8	Tokyo	16	8
Singapore	26	18			
Tokyo	16	8			

**MIDDLE EAST**

**OCEANIA**

**FRIDAY'S FORECAST** — CHANNEL 4: Overcast. Temp. 1-10 (M-20). LONDON: Cloudy. Temp. 5-9 (M-11). MANCHESTER: Fair. Temp. 7-11 (M-13). NEW YORK: Partly cloudy. Temp. 37-45 (M-3). PARIS: Partly cloudy. Temp. 45-55 (M-5). ROME: Partly cloudy. Temp. 45-55 (M-5). TOKYO: Partly cloudy. Temp. 55-65 (M-13). SYDNEY: Partly cloudy. Temp. 55-65 (M-13). HONG KONG: Partly cloudy. Temp. 65-75 (M-19). SINGAPORE: Partly cloudy. Temp. 75-85 (M-25). AUSTRALIA: Partly cloudy. Temp. 75-85 (M-25).

BOOK BRIEFS

**RUSSIAN STUDIES**, by Leonard Schapiro. Edited by Ellen Dalenford, with an introduction by Harry Willets. Elizabeth Sifton/Viking, 40 West 23d Street, New York, N.Y. 10010.

Leonard Schapiro, who died in 1983 at the age of 75, was a leading authority on 19th- and 20th-century Russian politics and ideas. Born in Glasgow, he was raised in Russia and spent his childhood in Riga and St. Petersburg, but returned to Britain with his parents in 1920 and completed his education in London.

For many years he practiced as a barrister, and it was not until 1955 that he published his first book — "The Origins of the Communist Autocracy" — and took up his first academic appointment, at the London School of Economics. Other notable books followed, including "The Communist Party of the Soviet Union" and a biography of Turgenev.

"Russian Studies" is a collection of 24 essays and lectures, some never before published. A fine essay on Bukharin, the most eminent of the Bolshevik leaders killed in Stalin's purges, stresses his humanitarian qualities, points out that the circumstances leading to his confession (not really much of one) at his trial in 1938 were less paradoxical than Arthur Koestler implied in the novel "Darkness at Noon" and argues that his rehabilitation would be a sure sign that fundamental changes were taking place in the Soviet system. A suitable test case, perhaps, for Mikhail S. Gorbachev's current policy of "openness."

Schapiro had no patience, on the other hand, with the latter-day cult of Trotsky. After reading his devastating account of Trotsky's political record, you are left feeling that not the least of Stalin's crimes was that he made it easier for people to take a kindly view of his rival.

Here and there Schapiro's approach is a little dry, but the literary essays with which the book concludes are a reminder of how much feeling lay behind his intellectual convictions. An investigation into the controversies surrounding the last years of the poet Aleksandr Blok is particularly compelling. It succeeds in both analyzing Blok's exalted and tormented reactions to the 1917 revolution and entering into them with imaginative sympathy. (John Gross, NYT)

**ON POETS AND OTHERS**, by Octavio Paz. Translated from the Spanish by Michael Schmidt. Seaver Books, 333 Central Park West, New York, N.Y. 10025.

The Mexican philosopher-poet Octavio Paz writes with winning informality, honoring the extremes of life, its tone, its casual encounters, mocking the pomp with which many intellectuals handle ideas. His opening essay in this collection, about a visit to Robert Frost, begins like this: "After twenty minutes walking along the highway under a three o'clock sun, I came at last to the turning. I crested right and began to climb the slope."

The best of this book is concise, visionary stuff such as we find in the essay on Whitman ("One ought rather to speak of the invention of America than of its discovery") and that on the poet Charles Tomlinson: "The world turns to air, temperature, sensation, thought; and we become stone, window, orange peel, turf, oil stain, hell." This is his way of fleshing out his point that in Tomlinson's poems "outer reality... is a climate which involves us, and the same is true of Paz's best essays. He talks about Sartre's astounding lack of intellectual curiosity (Sartre's admiring a work's reputation without feeling the desire to read it), something akin, I think, to what Paz finds, in his essay on Dostoevsky, to be the crime of the ideologue: "He calls others comrades but never talks to them; he talks to his idea."

Paz is at his most refreshing and stimulating when he gets allusive and complex, when he takes a chance or two, as in "The great invention of man is men" (though you could make a case for the reverse too). On a point, he tends to harp; off it, he lets his mind and memory unfurl, making lively fusions of the trivial with the grand. As he himself says, the essayist "must be diverse, penetrating, acute, fresh, and he must master the difficult art of using three dots." (Paul West, NYT)

**COASTING**, by Jonathan Raban. Simon & Schuster, 1230 Avenue of the Americas, New York, N.Y. 10020.

In his new book, "Coasting" the English travel writer and novelist Jonathan Raban does just what his title will suggest if you connect it to the silhouette of a sailboat and the map of the British Isles that also appear on the front of the book's dust jacket. He buys a 40-foot ketch named the Godfield Maid, has it overhauled and outfitted as a floating home, and sails it counterclockwise around England, Scotland and Wales.

So, like Raban's three most recent books — "Arabia: A Journey Through the Labyrinth" (1979), "Old Glory: An American Voyage" (1981), about a trip down the Mississippi River, and "Foreign Land" (1985), a novel about a lifelong voyager returning home to England — "Coasting" is most obviously a book about travel. And it offers the obvious pleasures of a travel book. It makes us care about the traveler himself, the sights he saw and the manner in which he saw them.

Especially, it makes us care about sailing alone in a small boat. Raban doesn't always flatter this activity, calling it in so many words "escapist, antisocial, lonely, eccentric and even 'fetal.'" But he gets the appeal of it down on paper. (Christopher Lehmann-Haupt, NYT)

BRIDGE

By Alan Truscott

South showed great power by doubling and then bidding his suit, which had to be done at the four-level. West's surprising passivity permitted North to make the key move: a cue-bid of four spades.

The previous bidding had made it clear that North was very weak. Given that constraint, however, his hand was remarkably strong in support of clubs: four trumps, a singleton spade, an ace and a little something in the unbid red suits.

South's main chance, which duly materialized, was to score a heart trick eventually. Naturally, in view of the opening bid, he played East for the heart queen rather than the ace and made the slam.

But that was not the only chance: South was able to explore a slight secondary option. If West had held 6-4-2-1 distribution, there would have been just enough entries to establish and use the fifth diamond in the dummy.

The bidding:

NORTH  
4♠ 7♣  
5♠ 4♥ 4♠ 7♣

EAST  
4♠ 8♥  
4♠ 8♠ 8♠ 8♠ 8♠  
4♠ 8♠ 8♠ 8♠ 8♠

South and North were vulnerable.

The bidding:

West North East South  
1♣ Pass 1NT Pass  
2♣ Pass 3♣ Pass  
3♥ Pass 4♥ Pass  
4♠ Pass 5♠ Pass  
5♠ Pass 6♠ Pass

West led the diamond king.

**World Stock Markets**  
Via Agence France-Presse Feb. 5  
Closing prices in local currencies unless otherwise indicated.

Amsterdam	Class Prev.	Deutsche Borsen	Class Prev.	London	Class Prev.	Stockholm	Class Prev.	Sydney	Class Prev.
ABN Holding	596.50	Deutsche Bank	220.25	AA Corp S	159.50	Alfa Laval	162.00	ACI	3.20
Alcoa	75.00	Dresdner Bank	200.00	Amalgamated	200.00	Almabank	110.00	ANZ	2.70
Amgen	122.00	Frankfurter	180.00	Anglo Siam	331.00	Asplund	120.00	Bentley	4.20
Alkerm	100.00	Hamburger	160.00	Asst. Ind. Gls	200.00	Bombardier	120.00	BHP	1.80
Amstar	100.00	Kieler	140.00	Asst. Ind. Gls	200.00	Boreson	120.00	Bombardier	120.00
Amstar	100.00	Kieler	140.00	Asst. Ind. Gls	200.00	Boreson	120.00	Bombardier	120.00
Amstar	100.00	Kieler	140.00	Asst. Ind. Gls	200.00	Boreson	120.00	Bombardier	120.00

سكوات الاصل



SPORTS

As Others Revel in His Glory, Conner Quietly Sails On

By Angus Phillips
FREMANTLE, Australia — Dennis Conner and his crew on Stars & Stripes were sailing Thursday, but this time just for fun.

"But in 1983, he sailed brilliantly," Wright said. "Think of the pressure he was under then, with a 132-year winning streak on the line and a slow boat to sail. And he almost pulled it off."

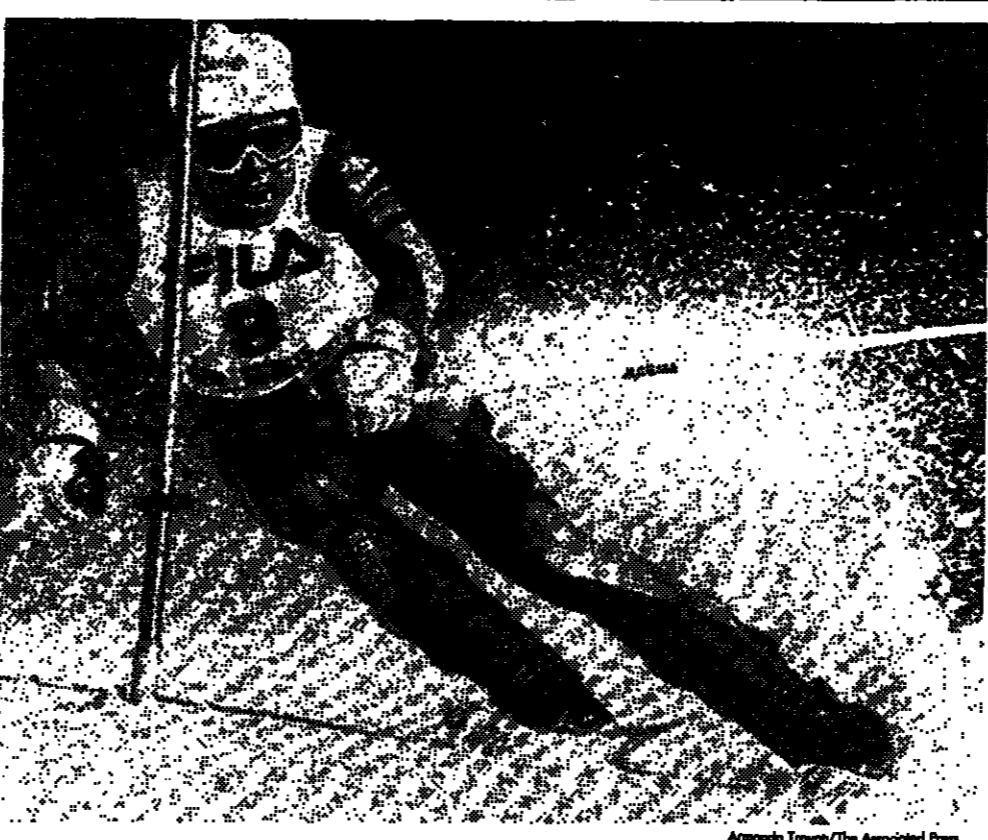
race, winning that best-of-seven series, 4-1, in January to set up the showdown for the cup. Twenty-four times since the competition began in 1871 it had gone in favor of the defender.

When the yacht sailed into harbor a half-hour later, the greeting for Conner, who is something of a local hero, was enthusiastic. Tens of thousands of people — police later estimated the crowd at 100,000 — crammed the jetties.

"We were thrashed by a better boat. But of anybody, I'd prefer to be beaten by these guys. They're the best mates we made here."

For Stars & Stripes, Gambles Paid Off

Cup Was Won by Going Against Conventional Theories
By Barbara Lloyd
FREMANTLE, Australia — In their quest to win back the America's Cup, Dennis Conner and his Stars & Stripes team agreed early on that they had nothing to fear by talking risks.



Vreni Schneider, the veteran Swiss skier, sped around a gate Thursday at Crans-Montana, Switzerland, en route to winning her first world championship medal, by .56 seconds.

Schneider Nips Svet, Walliser Is 3d After Slip in Giant Slalom

By Piero Valsocchi
The Associated Press
CRANS-MONTANA, Switzerland — Vreni Schneider of Switzerland exchanged tears of frustration for smiles of joy Thursday, winning the women's giant slalom at the Alpine Ski World Championships.

Lexcen: 'Kiss It Goodbye'

Compiled by Our Staff From Dispatches
FREMANTLE — Ben Lexcen, who designed the winged keel that wrested the America's Cup from the New York Yacht Club after 132 years, doesn't expect to see the cup again in Australia.

McEnroe Rejoining Davis Cup Team, But Will Miss First-Round U.S. Match

New York Times Service
PHILADELPHIA — John McEnroe will rejoin the Davis Cup team this year, the U.S. Tennis Association announced Wednesday, although he will miss the first round against Paraguay because of a scheduling conflict.

Rockets' Latest Big Loss: Sampson

The Associated Press
HOUSTON — The Houston Rockets, who began the season as one of the National Basketball Association's elite teams, only to be wracked by injuries, were told Wednesday they probably had lost 7-foot-4 (2.2-meter) star Ralph Sampson.

Transition

BASEBALL
BALTIMORE — Signed Rich Bordi, pitcher, and Tom Dwyer, outfielder-third baseman, to one-year contracts.
CLEVELAND — Reached agreements with Mel Hall, outfielder, and Tom Waddell, pitcher, on one-year contracts.

U.S. College Results

Amherst 55, Tufts 57
Bowling 62, Lehigh 87
Clemson 88, Maryland 79
Cornell 89, Stanford 81
Lafayette 93, Wake Forest 76
Pittsburgh 85, Villanova 80

SCOREBOARD

Table containing NHL Standings, NBA Standings, and Wednesday's Results for Hockey and Basketball.

Skiing

World Championships
A1 Cross-Country, Switzerland 2:21.78
Women's Giant Slalom
Austria, Switzerland, 2 minutes 21.78 seconds.

INTERNATIONAL CLASSIFIED
(Continued From Page 3)
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RIEFS
Afghanistan
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Contra Mour

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I don't know
I don't know

OBSERVER

'88 Candidate Lineup

By Russell Baker

NEW YORK — Here is the morning line on candidates for 1988: GEORGE WASHINGTON: Military hero, Virginia background are both pluses with electorate...

(Republican): Liberal New York Republican, TR favors big-business regulation. Need we say more? Sure he infuriates liberal dogooders by shouting wild animals...

By Marcia Seligson

NEW YORK — Leslie Dixon is a student of Preston Sturges comedies, has not a particle of snobbery about sitcoms, adores the "vulgar trashy tacky sleazy exciting glitz" of Hollywood...

A Writer's Outrageously Good Fortune



Screenwriter Dixon: "I finally summoned up the bad taste to move to L.A."

going on, what kind of movies are getting made, what kind of movies are ridiculous to even attempt writing because no one's ever going to make them. You need to know these things, and you can't find them out if you're living in Des Moines, or even Santa Barbara or even New York.

THEODORE ROOSEVELT New York Times Service

PERSONALS

LAND YOUR DREAM... REAL ESTATE OF ALL KINDS AND IN ALL PLACES IN FRIDAY'S INTERNATIONAL REAL ESTATE TODAY ON PAGE 13

INTERNATIONAL CLASSIFIED

Real estate listings for various countries including France, Monaco, Spain, Switzerland, USA, and Canada. Includes details on properties, prices, and contact information.

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PEOPLE

How McAuliffe Upset White House on Kennedy

Christa McAuliffe, the first ordinary citizen astronaut, upset White House officials when she planned the Kennedy Forum. She wrote in "Prescription for Disaster" that McAuliffe expressed admiration in a newspaper interview for President John F. Kennedy and the Kennedy family.

George Vogelsgang, the lawyer who last month lost a suit involving Burt Reynolds' guest, has a new client who says she too was attacked at the zoo on Reynolds' Florida ranch.

William Colby, the former CIA director, says four men nudged him near his home in Washington's Georgetown neighborhood one night last week.

The former Saudi oil minister Sheikh Ahmed Zaki Yamani has applied for a Swiss residence permit to settle in Crans-Montana, a Valais ski resort in Switzerland.

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Vertical advertisements on the right edge of the page, including 'Societs I', 'Allies Query U.S. Intent on ABM Treaty', and 'LATE NEWS'.